TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1941

No. 1036

CHRYSLER CORPORATION, DE SOTO MOTOR CORPORATION, PLYMOUTH MOTOR CORPORATION, DODGE BROTHERS CORPORATION AND CHRYSLER SALES CORPORATION, APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF INDIANA

FILED MARCH 13, 1942.

SUPREME COURT OF THE UNITED STATES

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INDEX.

JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., MARCH 24, 1942.

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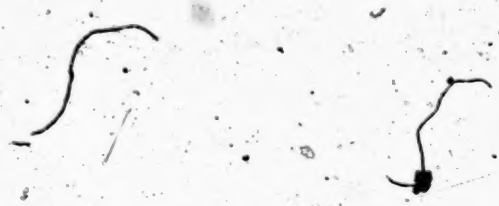

[fol. 1]

IN DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF INDIANA, SOUTH BEND DIVISION

In No. 9 Civil

UNITED STATES OF AMERICA, Complainant,

v.

CHRYSLER CORPORATION, et al., Defendants

COMPLAINT—Filed November 7, 1938

To the Honorable the Judge of the District Court of the United States for the Northern District of Indiana, Sitting in Equity:

The United States of America, by James R. Fleming, United States Attorney for the Northern District of Indiana, acting under the direction of the Attorney General of the United States, brings this proceeding in equity against Chrysler Corporation, De Soto Motor Corporation, Plymouth Corporation, and Commercial Credit Company, all of which are organized and duly authorized to do business under the laws of the State of Delaware; the Chrysler Sales Corporation and Dodge Brothers Corporation, both organized and duly authorized to do business under the laws of the State of Michigan; the Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Pennsylvania; the Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Iowa; Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Michigan; Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Minnesota; Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Missouri; Commercial Credit Company, a corporation organized and duly authorized to do business under the laws [fol. 2] of the State of Illinois; Commercial Credit Company, Inc., a corporation organized and duly authorized to

do business under the laws of the State of Wisconsin; Commercial Credit Corporation, a corporation organized and duly authorized to do business under the laws of the State of New Jersey; Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Indiana; all of which corporations have and have had at all material times branch offices and places of business in nearly all of the several states, and are doing business therein, including the State of Indiana, the Northern District, South Bend Division, and complains and alleges upon information and belief as follows:

I

That defendant, Chrysler Corporation, is engaged in the manufacture and sale of Chrysler, Dodge, De Soto and Plymouth automobiles; that defendants, Dodge Brothers Corporation, De Soto Motor Corporation, Plymouth Motor Corporation and Chrysler Sales Corporation, are engaged in the purchase, sale and distribution of Chrysler cars (Chrysler cars when referred to herein include Chrysler, De Soto, Dodge and Plymouth cars); that the five last named corporations are associated together and commonly called the Chrysler Group (when the term Chrysler Group is used hereinafter it will include the aforesaid five corporations); that the remaining defendants herein are engaged in the business of financing the purchase and sale of automobiles, including Chrysler automobiles, by advancing funds to automobile dealers for the purchase at wholesale and to the public at retail of such automobiles; that defendant, Commercial Credit Company of Delaware, a corporation, is both a holding company and an operating company and owns 100% of the capital stock of all of the other defendant finance companies named hereinabove and controls such companies; that all of the aforesaid defendant finance companies are associated together (when the term Commercial Credit Company is used hereinafter it shall be taken to include all of the defendant finance companies); that in the year 1925, the Chrysler Corporation became desirous of creating a relationship between itself and a finance company by which the sale of automobiles to dealers and to the public would be facilitated, and under which credit [fol. 3] might be extended so that the output of the Chrysler Corporation might be increased and a system of selling cars on conditional sale to the public fostered; that as a result

thereof the Chrysler Corporation in 1925, and thereafter in 1926, entered into written contracts with the Commercial Credit Company, under the terms of which the Commercial Credit Company agreed to furnish a standard finance plan for the purchase and sale at both wholesale and retail of Chrysler cars in every part of the United States in which Chrysler had an outlet; that under the aforesaid contracts the Chrysler Corporation agreed to subsidize Commercial Credit Company for assisting in accomplishing the results set out above; that under the terms of such contracts the Commercial Credit Company agreed that it would not represent to Chrysler dealers and others that it was authorized to act as representative and associate of defendant Chrysler Corporation; that during the period when the aforesaid contracts were in effect Chrysler Corporation paid to Commercial Credit Company as subsidies under said contracts the sum of approximately $2,600,000; that in 1928, and again in 1934, the aforesaid contracts were modified and superseded by other contracts; that under the terms of the 1928 contract the Commercial Credit Company agreed to pay the Chrysler Corporation $1 per car for every Chrysler car financed by Commercial Credit Company; that under the terms of the 1934 contract the Commercial Credit Company agreed and promised to pay to Chrysler Corporation 10% of its gross annual net income from all sources (only 60% of the gross income of Commercial Credit Company arises from the financing of automobiles); that under the terms of the said 1934 contract and by virtue thereof and as consideration therefor, Commercial Credit Company transferred to Chrysler Corporation 50,000 shares of its capital stock; that under the terms of both the 1928 and 1934 contracts Commercial Credit Company was permitted to advertise, announce, and represent to Chrysler dealers that it was authorized to handle all matters pertaining to the financing of cars manufactured by any of the Chrysler Group, and the Chrysler Group agreed and promised that they would use all means necessary to compel dealers who sold cars manufactured by any of the Chrysler Group to finance exclusively through the facilities of the Commercial Credit Company; that as part of the consideration for the aforesaid promises and for entering [fol. 4] the aforesaid contracts of 1928 and 1934, the Commercial Credit Company has paid to Chrysler Corporation the sum of approximately $2,500,000;

That defendants and each of them have been and are violating the provisions of Section I of the Act of Congress of July 2, 1890, entitled "An Act to Protect Trade and Commerce against Unlawful Restraints and Monopolies", 26 Stat. 209, commonly known as the Sherman Antitrust Act;

That under Section 4 of the above-named Act the District courts of the United States are invested with jurisdiction to prevent and restrain violations of the Act;

That under Section 4 of the Act it is the duty of the several District Attorneys of the United States in their respective districts, under the supervision of the Attorney General, to institute proceedings in equity to prevent and restrain violations, and that such proceedings may be instituted by way of a complaint setting forth the case and praying that such violation shall be enjoined or otherwise prohibited;

The defendants and each of them for a period of three years immediately preceding the filing of this complaint, and for many years prior thereto, have been and are guilty of violation of Section I of the Sherman Act in all parts of the United States, as well as in the Northern District of Indiana, South Bend Division, by combining and conspiring together to restrain and control the trade and commerce in Chrysler automobiles and the wholesale and retail sale and financing of Chrysler automobiles among the several states, and will continue such violations unless enjoined;

That defendants and each of them are within the jurisdiction of this Court for purposes of service.

II

Complainant alleges and complains further that the Chrysler Group (hereinafter called Chrysler), the General Motors Corporation (hereinafter called General Motors), and the Ford Motor Company (hereinafter called Ford) are the principal manufacturers of motor cars in the United States and are competitors with each other; that for many years past, and particularly during the three-year period immediately preceding the filing of this complaint, Chrysler, General Motors and Ford have manufactured, sold and [fol. 5] delivered at wholesale approximately 90% of the automobiles manufactured in the United States, of which respondent, Chrysler, has manufactured and sold approximately 25%; that the remaining 10% have been manu-

factured, sold and delivered by some 12 to 15 other manufacturers;

That during the period from January 1, 1934, to the date of the filing of this complaint, approximately 16,000,000 automobiles have been manufactured, sold and delivered at wholesale and retail in the United States; that of these General Motors has produced approximately 7,000,000, Chrysler approximately 4,000,000, Ford approximately 4,000,000, and the 12 or 15 other manufacturers, approximately 1,000,000;

That the automobiles of Chrysler are and have been at all material times manufactured at plants located in the States of Michigan, Indiana and California; those of Ford, at plants located in the States of Michigan, Minnesota, Illinois, Ohio, Pennsylvania, New York, New Jersey, Massachusetts, Virginia, Kentucky, Missouri, Georgia, Texas and California; those of the General Motors Corporation, at plants located in the States of Michigan, Wisconsin, Missouri, Georgia, New York, New Jersey and California;

That these automobiles are and at all material times have been manufactured, transported, sold, financed, and delivered in interstate commerce, each of the above steps being necessary and integral parts of a continuous flow of commerce in getting automobiles from the manufacturers to retail purchasers in the several states, including retail purchasers located in the Northern District of Indiana, South Bend Division, and that the evils complained of herein are incident to, a part of, and directly affect commerce among the several states and the flow thereof;

That the sale of motor-cars manufactured by Chrysler, General Motors and Ford to the public is and at all material times has been made through some 40,000 persons, companies and corporations known as automobile dealers, of whom approximately 10,000 are Chrysler dealers, located throughout the several states, who are engaged in the business of buying and selling automobiles; that dealers purchase new automobiles from the manufacturers and their associates pursuant to contracts which are subject to cancellation at the will of either party; that cars, including Chrysler cars, when purchased by dealers, have been and [fol. 6] will continue to be transported from the above-named places of manufacture to dealers located in the several states, including many dealers located in the Northern District of Indiana, South Bend Division;

That during the three-year period immediately preceding the filing of this complaint, as well as during many years prior thereto, Chrysler, General Motors and Ford have required and will continue to require payment in cash at the factory for all cars sold by them, prior to transportation and delivery thereof in interstate commerce from the factory to dealers located in the several states, as well as many dealers located in the Northern District of Indiana, South Bend Division;

That during the past three years approximately $12,500,000,000 has been paid to automobile manufacturers for new cars shipped to dealers, of which approximately $6,500,000,000 has been paid for cars manufactured by General Motors, $2,500,000,000 for cars manufactured by Chrysler, and $2,500,000,000 for cars manufactured by Ford, and approximately $1,000,000,000 for cars manufactured by the remaining 12 to 15 automobile manufacturers;

That because of the high unit prices of automobiles demanded by General Motors, Ford, and respondent Chrysler, and because said manufacturers have required payment for cars in cash before shipment and delivery to dealers, it has been necessary for the great majority of dealers to secure money in large quantities from sources other than their own; that in order to supply these necessary funds many automobile finance companies have been organized and have been regularly and continuously engaged in the business of lending funds to such dealers for the purchase of cars from the manufacturers, which loans are secured by the cars so purchased; that there are three major groups of finance companies (hereinafter referred to as the "affiliated finance companies") engaged in the business of supplying funds to dealers for the purchase of automobiles, and that each of said groups of companies is affiliated with one of the major manufacturers pursuant to stock ownership, contract or working agreement; that respondent, Commercial Credit Company, is affiliated with Chrysler through contractual agreement and partial stock ownership; that Commercial Investment Trust Corporation, Commercial Investment Trust, Incorporated, Universal Credit Corporation, Universal Credit Company of Delaware, Universal Credit [fol. 7] Company of Indiana, and Universal Credit Company, Inc., are affiliated with Ford, originally by stock ownership and currently by working agreement; the General Motors Acceptance Corporation and its subsidiary com-

panies with General Motors through 100% stock ownership of the former by the latter; that the affiliated finance companies have furnished the major portion of the funds required by dealers of the three above-named manufacturers in financing their purchases of new cars; that in addition to the affiliated finance companies there are approximately 375 finance companies, as well as banks and other lending institutions, which have no relation to the three major manufacturers either by stock ownership, contract or working agreement (arbitrarily referred to herein as "independent finance companies") which are located in all states in the United States and are there engaged, either in whole or in part, in financing the sale of automobiles by manufacturers to dealers; that during the three-year period immediately preceding the filing of this complaint the affiliated and independent finance companies have supplied to dealers of the three above-named automobile manufacturers for purposes of financing such dealers' purchase of new cars approximately $5,500,000,000, of which the affiliated finance companies have supplied approximately $4,500,000,000 and the independent finance companies have supplied approximately $1,000,000,000; that during the same three-year period the Commercial Credit Company and its affiliates have financed approximately 67% of the Chrysler cars supplied to Chrysler dealers and independent finance companies have financed the remaining 33%;

That approximately 60% of the new cars manufactured by the three above-named manufacturers at all material times have been sold at retail by dealers upon the so-called installment plan which requires the purchaser to pay a part of the purchase price at the time of the sale, either in cash or in a used car, or both, with the remainder to be paid in installments; that since dealers have been unable generally to finance such sales on credit with their own funds, the affiliated and independent finance companies have advanced funds to individual purchasers of new cars who purchase them on the installment plan; that the funds so advanced are secured by the installment note of the purchaser, indorsed by the dealer with or without recourse, as the case may be, and secured by the pledge of the automobile so pur-
[fol. 8] chased; that during the three years immediately preceding the filing of this complaint approximately 6,500,000 new cars have been sold on the installment plan; that affiliated and independent finance companies have furnished

approximately $6,000,000,000 to purchasers, $5,000,000,000 of which has been supplied by the affiliated finance companies and $1,000,000,000 by the independent finance companies; that during said period Commercial Credit Company and its affiliates have supplied approximately 65% of of the funds required to finance the retail time sales of Chrysler dealers.

III

Complainant alleges and complains further that each of the three major automobile manufacturers, General Motors, Ford, and respondent, Chrysler, together with their respective affiliated finance companies, General Motors Acceptance Corporation, Universal Credit Corporation and its affiliates, and respondent, Commercial Credit Company and its affiliates, respectively, have at all material times conspired separately to impede unreasonably the free flow of commerce in automobiles and in the financing thereof in the several states, as well as in the Northern District of Indiana, South Bend Division, by excluding or attempting to exclude all other finance companies from financing the wholesale sale of new cars to dealers and the retail sale of used cars by dealers; that respondent, Chrysler Corporation, and respondent, Commercial Credit Company (including all respondent finance companies) have employed, among others, the following means and have done the following overt acts for the purpose of effecting the conspiracies herein alleged, to wit:

1. That Chrysler dealers, numbering approximately 10,000, during the three-year period immediately preceding the filing of this complaint, have been coerced, intimidated and discriminated against by the said respondent Chrysler for the purpose and with the effect of forcing them to use the services and facilities of respondent finance companies herein, in financing both wholesale and retail purchases of Chrysler motor-cars;

2. That Chrysler dealers have been required by Chrysler to promise to use the facilities of respondent finance companies under threats of cancellation of their dealer contracts with Chrysler;

[fol. 9] 3. That dealers refusing to make their purchases and sales of Chrysler cars through respondent finance companies, in many instances, have had their dealer contracts

cancelled by Chrysler without notice and without statement of cause;

4. That Chrysler has refused to deliver cars to dealers refusing the use of such services;

5. That Chrysler has delivered to dealers who failed to finance through respondent finance companies cars on occasions when none were ordered;

6. That Chrysler has delayed unduly shipments of cars ordered by dealers who refused to use the facilities of respondent finance companies;

7. That Chrysler has shipped to dealers who refused to use the facilities of respondent finance companies cars of different color, design, model, style and number than those ordered, and have favored those dealers availing themselves of the services of respondent finance companies with respect to services, facilities, privileges and conveniences in the delivery of cars;

8. That Chrysler dealers are and have been at all material times required by respondent, Chrysler, to permit respondent finance companies to inspect their books, records and accounts for the purpose of determining the amount of financing done by the dealers with respondent finance companies, as well as with the independents, and that such privileges have been and are denied independent finance companies;

9. That Chrysler dealers have been and are required by respondent, Chrysler, to disclose the amount of finance business done with independent finance companies;

10. That respondent, Chrysler, by various means, divulges to respondent finance companies or permits them to secure from the agents, servants and employees of Chrysler dealers information relative to the finance business done by such dealers with independent finance companies, which privileges are denied the independent finance companies;

11. That Chrysler furnishes respondent finance companies with office space in its factories enabling the latter to determine the number of cars ordered by individual [fol. 10] dealers and other information relating to their business, and convenient facilities for carrying on their

finance business, which privilege is denied the independent finance companies;

12. That respondent, Chrysler, permits representatives of respondent finance companies to attend Chrysler district, divisional and national sales meetings with Chrysler dealers for the purpose of urging such dealers to patronize respondent finance companies, which privileges are denied the independent finance companies;

13. That respondent, Chrysler, furnishes respondent finance companies with all contracts with dealers and other instruments deemed necessary to security in delivering cars to dealers, which privileges are denied the independent finance companies;

14. That respondent, Chrysler, advertises, indorses and recommends the financing services of respondent finance companies;

15. That respondent, Chrysler, furnishes respondent finance companies with information relating to the purchase, sale, transportation and delivery of cars to Chrysler dealers, including a description and identification of cars, and refuses the same to independent finance companies;

16. That Chrysler passes title to Chrysler cars financed through the facilities of the respondent finance companies to those finance companies before the car is shipped to the dealer, the latter securing only possession and custody, and accepts payment from respondent finance companies for such cars, while it refuses to accept payment for cars from independent finance companies or to pass title to them but will accept payment for cars financed by independent finance companies only from the dealer and will deliver title only to the dealer;

17. That dealers financing retail time sales through respondent finance companies are required by the latter to indorse the notes of the retail purchaser with recourse and thus to assume a secondary liability for their payment;

18. That respondent finance companies require dealers to include in the charge made by them to retail purchasers [fol. 11] for financing the sale of Chrysler automobiles on the installment plan a so-called dealers' reserve in an amount fixed and prescribed by them, which is in addition

to interest, insurance and all other charges made by the dealer; that the alleged purpose of such reserve is to compensate the dealer for losses sustained by him in case of default by the purchaser in the payment of the full purchase price of the automobile purchased by him; that such reserves, when paid by the purchaser to the respondent finance company, are retained by it until the purchaser's obligation has been paid in full, at which time it is either paid over to the dealer or retained further as security for the payment of other obligations of the dealer to respondent finance companies; that such dealers' reserve is not fixed by respondent finance companies on an actuarial basis and is and has been far in excess of actual losses sustained by dealers; that purchasers of automobiles from Chrysler dealers are not advised that any dealers' reserve is included in the charge made for such purchase; that this reserve is in the nature of a rebate to dealers to induce them to use the services of respondent finance companies and increases unduly the time sales purchase price to the automobile purchaser; that during the period from 1925 to and including the date of the filing of this complaint, respondent finance companies have paid to dealers as such reserves sums totalling more than $5,000,000; that respondent finance companies now have in their possession large sums of money, to wit, many millions of dollars in the form of dealer reserves collected from purchasers without their knowledge and not yet rebated to dealers;

19. That respondents have discriminated against independent finance companies with respect to the manner, form and time of payment for time sales paper purchased by them;

20. That for the purpose of inducing Chrysler dealers to make use of their services, respondent finance companies have represented to such dealers that Chrysler would discriminate against them in the time and manner of delivery of automobiles to them and otherwise unless such dealers made use of the services of respondent finance companies; that agents of Chrysler and respondent finance companies, by prearrangement, have jointly visited dealers with the purpose and effect, by threats, persuasion and intimidation, [fol. 12] of inducing such dealers to make use of the services of respondent finance companies;

21. That, unless enjoined, Chrysler will hereafter, in pursuance of the conspiracy herein alleged, discriminate against independent finance companies and in favor of respondent finance companies by the acquisition of stock or other interest in respondent finance companies or by making loans or gifts to respondent finance companies and denying same to independent finance companies;

22. That at all times material and within the three years immediately preceding the filing of this complaint, as well as for many years prior thereto, respondents and all of them have regularly and continuously carried out, performed, engaged in and committed all of the acts, practices, arrangements, agreements, discriminations, threats and wrongs described hereinabove in all states of the United States, as well as in the Northern District of Indiana, South Bend Division, and unless enjoined will continue so to do.

IV

Complainant alleges and complains further that the purpose and effect of the aforementioned practices of respondents have been to procure, restrain and keep within their control to the greatest extent possible and to the exclusion of all other persons, companies and corporations, the business of financing the trade and commerce of new Chrysler automobiles among the several states and in used automobiles of any make and model handled by Chrysler dealers; that substantial investments, credit and property of many Chrysler dealers have been either destroyed, reduced in value or jeopardized by the practices described hereinabove; that the retail price of automobiles to the public has been increased unreasonably by such practices; that such practices have jeopardized and destroyed the business of independents; that such practices have been pursued by respondents continuously for the three-year period immediately preceding the filing of this complaint, as well as for many years prior thereto; that such acts and practices are continuous and will continue in the future unless restrained, enjoined and prohibited by this Court.

Wherefore, complainant prays that respondent, Chrysler Corporation, and its officers, directors, agents and serv- [fol. 13] ants be restrained, enjoined and prohibited from doing or causing to be done any of the following:

1. From coercing its dealers in the manner described in particular hereinabove, or in any way, to use the financing facilities of respondent finance companies;

2. From discriminating in ways more particularly set out hereinabove, or in any way, against Chrysler dealers who do business with independent finance companies;

3. From discriminating against independent finance companies in the financing by Chrysler dealers of both wholesale and retail purchases of Chrysler cars, and used cars taken by dealers on trade in the sale of new cars;

4. From requiring any dealer by threats, intimidation, contractual arrangement or otherwise, to use a particular plan or rate of financing;

5. From cancelling or threatening to cancel any contract, franchise or agreement with any dealer because of failure of such dealer to patronize respondent finance companies;

6. From agreeing with any finance company that an agent of the finance company and the manufacturer will be present for the purpose of influencing the dealer to patronize any particular finance company;

7. From recommending or advertising any particular finance company to any dealer or to the public;

8. From acquiring in any way an interest in any finance company or by gift, loan or otherwise rendering financial assistance to any finance company.

Complainant prays further:

1. That respondent, Chrysler Corporation, its officers, directors, agents and servants, be required to make available to independent finance companies privileges, services and facilities substantially similar to those made available to respondent finance companies, without discrimination, including space in the factory, information relating to identity of dealers and amount of business done with competitors, attendance at district, division, factory and national sales meetings, provided such privileges are accorded respondent finance companies;

[fol. 14] 2. That respondent, Chrysler Corporation, its officers, directors, agents and servants, be required to as-

sign title or lien to all cars sold to dealers to any and all finance companies on similar terms.

Complainant prays further that respondent finance companies and each of them, their officers, directors, agents and servants, be restrained, enjoined and prohibited from doing or causing to be done any of the following:

1. From representing to any dealer that the manufacturer requires him to patronize any particular finance company;

2. From representing to any dealer that his franchise will be cancelled for failure to patronize respondent finance companies;

3. From requiring dealers to include in their retail time sales price of automobiles any sum in the form of a dealers' reserve, rebate, pack or otherwise.

Complainant prays further that discriminations of all types as between affiliated finance companies and independents be prohibited; that all automobile finance companies be treated alike or in such manner as the Court may deem necessary and proper to maintain the good-will of the manufacturer.

Complainant prays further that respondents, Chrysler Corporation and Commercial Credit Company, be required to cancel the contract existing between them under the terms of which Commercial Credit Company pays annually to Chrysler Corporation 10% of its net gross revenues from all sources.

Complainant prays further that this Court retain continuing jurisdiction of this cause for purposes of carrying out the matters herein prayed for, and for such further order or orders and for such other and further relief as the Court may deem necessary, equitable, just and proper in the premises.

James R. Fleming, United States Attorney for the Northern District of Indiana.

Homer Cummings, Attorney General of the United States. Thurman Arnold, Assistant Attorney General of [fol. 15] the United States. John J. Abt, Holmes Baldridge, Special Assistants to the Attorney General of the United States.

IN UNITED STATES DISTRICT COURT

[Title omitted]

ANSWER OF DEFENDANTS, CHRYSLER CORPORATION, DESOTO MOTOR CORPORATION, PLYMOUTH MOTOR CORPORATION, DODGE BROTHERS CORPORATION AND CHRYSLER SALES CORPORATION—Filed November 7, 1938

To the Honorable the Judge of the District Court of the United States for the Northern District of Indiana, Sitting in Equity:

Now come the defendants Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation (referred to in the complaint as Plymouth Corporation), Dodge Brothers Corporation and Chrysler Sales Corporation, and make answer to the complaint in the above-entitled cause, as follows:

I

They allege that the complaint herein fails to state a cause of action against the defendants, or any of them, upon which relief can be granted.

II

Answering the first unnumbered paragraph of the complaint, these answering defendants deny that they or any of them have, or at any time have had, branch offices or places of business, or are doing business, in the Northern District of Indiana, and deny that they have any knowledge or information thereof sufficient to form a belief as to the incorporation of the defendants herein other than these answering defendants, as to where said other defendants are authorized to do business, or as to where they have or have had branch offices or places of business, or as to where they are doing business.

III

Answering that article of the complaint marked and numbered "I", these answering defendants deny each and [fol. 16] every allegation therein set forth except as hereinafter expressly admitted or qualifiedly denied:

They admit that defendant Chrysler Corporation is engaged in the manufacture and sale of Chrysler, Dodge,

DeSoto and Plymouth automobiles; that defendants Dodge Brothers Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation and Chrysler Sales Corporation are subsidiaries of defendant Chrysler Corporation; that the defendants herein other than these answering defendants are engaged in the business of financing the purchase and sale of automobiles, including Chrysler automobiles, and that on or about the 11th day of June, 1925, Chrysler Sales Corporation made and entered into a certain agreement with Commercial Credit Company and certain of its subsidiaries, and these answering defendants beg leave to refer to said contract for the exact and complete purposes, terms, and conditions thereof. They admit that on or about the 22nd day of May, 1926, Chrysler Sales Corporation made and entered into a certain contract with Commercial Credit Company, and these answering defendants beg leave to refer to said contract for the exact and complete terms and conditions thereof. They admit that during the period when said contracts were in effect these answering defendants or some of them from time to time paid to Commercial Credit Company, pursuant to said contracts, sums of money aggregating approximately the amount set forth in the complaint herein. They admit that on or about the 22nd day of November, 1928, these answering defendants, except Chrysler Corporation, made and entered into a certain contract in writing with Commercial Credit Company and that on or about the 10th day of December, 1934, Chrysler Corporation made and entered into a certain contract in writing with Commercial Credit Company, and these answering defendants beg leave to refer to said contracts for the exact and complete terms and conditions thereof. They admit that said contract dated November 22, 1928, provided, among other things, that Commercial Credit Company's representatives should not make any statements to distributors or dealers to the effect that Commercial Credit Company's plan of financing was required to be used to the exclusion of any other equally favorable finance plan, and that these answering defendants who were parties thereto agreed to discourage the use by distributors and dealers of financing plans provided by [fol. 17] other finance companies on a basis less favorable to time payment purchasers of automobiles than those provided by Commercial Credit Company and its affiliated companies; that under the terms of said contract dated

December 10, 1934, the defendant Chrysler Corporation agreed, among other things, by proper means, to encourage, recommend, and endeavor to bring about the use by its dealers of the financing plans and facilities of Commercial Credit Company, but these answering defendants deny that they, or any of them, under the terms of said contracts, or any of them, or otherwise, agreed or promised to use all means necessary, or otherwise, to compel dealers to finance purchases and sales of automobiles exclusively through the facilities of Commercial Credit Company or any other finance company. They admit that Commercial Credit Company from time to time paid to Chrysler Corporation, pursuant to the terms of said contracts dated November 22, 1928 and December 10, 1934, sums of money in excess of the amount set forth in the complaint herein, and they admit that Commercial Credit Company sold to Chrysler Corporation, for cash, 50,000 shares of the capital stock of Commercial Credit Company.

With respect to the allegations set forth in the last five paragraphs of said Article I of the complaint herein, the answering defendants deny the same, except that they admit that under Section 4 of the Act therein referred to the district courts are invested with jurisdiction to prevent and restrain violations of said Act and that it is the duty of the several district attorneys of the United States in their respective districts, under the supervision of the Attorney General, to institute proceedings as therein set forth.

These answering defendants deny that they have knowledge or information sufficient to form a belief as to whether or not the defendant Commercial Credit Company of Delaware is both a holding company and an operating company and owns 100% of the capital stock of all of the other defendant finance companies and controls such companies.

IV

Except as hereinafter specifically admitted or denied, these answering defendants are without knowledge, or information sufficient to form a belief as to each and every [fol. 18] allegation set forth in that article of the complaint marked and numbered "II", and therefore deny the same.

They admit that Chrysler Corporation, General Motors Corporation, and Ford Motor Company are the principal

manufacturers of motor cars in the United States and are competitors with each other, and that Chrysler Corporation manufactured, sold, and delivered at wholesale in the United States approximately 2,450,000 automobiles during the three years next preceding the filing of the complaint herein.

They admit that during the period from January 1, 1934, to the filing of the complaint herein Chrysler Corporation and its subsidiaries have manufactured, sold and delivered approximately 3,700,000 automobiles at wholesale in the United States.

They admit that said automobiles are and have been manufactured at plants located in the States of Michigan, Indiana, and California.

They admit that certain of said automobiles have been transported in interstate commerce, but deny that said automobiles have been manufactured, sold, financed, or delivered in interstate commerce, and deny that each of the acts mentioned in the complaint is a necessary or integral part of a continuous flow of commerce in getting automobiles from Chrysler Corporation to retail purchasers in the several states and in the Northern District of Indiana, and deny that the acts, practices, and things complained of in the complaint are incident to, a part of, or directly affect, commerce among the several states and the flow thereof.

They admit that the sale of automobiles manufactured by Chrysler Corporation and its subsidiaries to the public is and at all material times has been made through persons, companies, and corporation- known as automobile dealers, of whom they are now approximately 10,000 located throughout the several states, who are engaged in buying and selling automobiles, of whom approximately 2,500 are direct dealers and of whom approximately 7,500 are sub-dealers under said direct dealers. They admit that said direct dealers purchase new automobiles from Chrysler Corporation pursuant to contracts, which, subject to certain conditions and limitations, are cancellable by either party thereto, and that automobiles manufactured by Chrysler Corporation have been and will continue to be transported from the above-named places of manufacture to dealers [fol. 19] located in the several states, including dealers located in the Northern District of Indiana, South Bend Division.

They admit that during the three year period immediately

preceding the filing of the complaint herein, the terms of sale of automobiles by Chrysler Corporation to dealers located in the several states, including dealers in the Northern District of Indiana, South Bend Division, have, in most instances, called for payment therefor in cash or its equivalent, either at the factories or at points to which such automobiles are shipped.

They admit that during the past three years approximately $1,600,000,000 has been paid to Chrysler Corporation for new automobiles manufactured by it, of which approximately $1,300,000,000 has been paid to it for automobiles manufactured in the United States.

They admit that many dealers in automobiles manufactured by Chrysler Corporation have secured money in large quantities from sources other than their own, but deny that this was because of the high unit prices of automobiles demanded by these answering defendants, or any of them, or because these answering defendants, or any of them, required payment for cars in cash before shipment and delivery to dealers. They admit that many automobile finance companies have been organized and have regularly and continuously engaged in the business of lending funds to, or advancing moneys for the account of, automobile dealers for the purchase of automobiles from these answering defendants, and that said loans and advances are, in some instances, secured by liens on or title to the automobiles so purchased. They deny that any finance company or group of finance companies is now affiliated with these answering defendants, or any of them, pursuant to stock ownership, contract, working agreement or otherwise, or that respondent Commercial Credit Company is affiliated with these answering defendants, or any of them, through contractual agreement or partial stock ownership, or otherwise, and they allege that in or about the month of January, 1938, all contracts and agreements referred to in the complaint and then in existence between Commercial Credit Company and any of these answering defendants were in all respects terminated, and since in or about the month of February, 1938, these answering defendants have not had, and they do not now have, any interest in any stock of Commercial [fol. 20] Credit Company. They deny, upon information and belief, that Commercial Credit Company has furnished the major portion of the funds required by dealers in automobiles manufactured by Chrysler Corporation in financing

their purchases of new cars. They admit that there are finance companies, banks and other lending institutions which have no relation to these answering defendants either by stock ownership, contract, or working agreement, which are located in the United States and are there engaged, either in whole or in part, in financing the sale of automobiles by manufacturers to dealers. They deny that Commercial Credit Company and its affiliates have supplied approximately 65% of the funds required to finance the retail time sales of new automobiles manufactured by Chrysler Corporation and sold on the installment plan.

V

They deny each and every allegation contained in that Article of the complaint herein marked and numbered "III" in so far as the same pertains to the defendants herein, and deny that they have any knowledge or information thereof sufficient to form a belief as to the allegations contained in said Article in so far as the same pertain to any other person, firm, or corporation, and without limiting the generality of the foregoing, these answering defendants specifically deny that they conspired with anybody for any purpose and specifically deny that they have employed any of the means or done any of the overt acts alleged in paragraphs numbered 1 to 20, inclusive, of said Article III, or have employed any other means or done any other overt acts, for the purpose of effecting the conspiracies alleged in the complaint herein, or any other conspiracy or conspiracies, and further these answering defendants deny that they have carried out, performed, engaged in, or committed any of the acts, practices, arrangements, agreements, discriminations, threats, and wrongs described in said Article III in any of the states of the United States, or in the Northern District of Indiana, or that they will do so, or that they have discriminated or will discriminate against any finance companies and in favor of respondent finance companies, as, or for the purposes, alleged in paragraphs 21 and 22 of said Article III of the complaint, or otherwise.

[fol. 21]

VI

These answering defendants deny each and every allegation contained in that article of the complaint marked and numbered "IV".

VII

Further answering the complaint herein these answering defendants allege:

1. No provision of the contracts mentioned in Article III of the complaint obligated these answering defendants to require dealers to do business with respondent finance companies but on the contrary these answering defendants never promised or agreed to require any of their dealers, or to inform any dealer that he was required, to do business with the respondent finance companies. Said contracts and agreements were entered into by such of these answering defendants as were parties thereto in good faith and for the sole and exclusive purpose of making available to Chrysler dealers and their customers fair and uniform retail time sales plans and practices comparable to the plans and practices available to competing dealers and their customers, and for the purpose of eliminating abuses then prevalent in the business of financing installment sales and thus encouraging the purchase of said defendants' products and insuring to retail purchasers thereof a low cost of purchasing automobiles on installment payment plans.

2. At all the times mentioned in the complaint these answering defendants have repeatedly instructed their representatives not to require or compel any dealer to use the services and facilities of the respondent finance companies and in truth and fact have repeatedly and expressly forbidden their said representatives to require any dealer to do business with the respondent finance companies and forbidden any representative to discriminate against any dealer for doing business with other finance companies or to discriminate against other finance companies.

3. These answering defendants are informed after a thorough investigation of the facts and therefore allege that in each year since January 1, 1934, only ten percent (10%) of their dealers have sold all of their retail time sales paper exclusively to respondent finance companies; twenty-five [fol. 22] percent (25%) of their dealers have sold part of their retail time sales paper to the respondent finance companies and part of it to other finance companies; and sixty-five percent (65%) of their dealers have sold no retail time sales paper at all to respondent finance companies.

4. At all the times mentioned in the complaint these answering defendants have made, or approved and renewed or approved the renewal of, contracts with a large majority of their dealers with knowledge that such dealers were doing business with finance companies other than respondent finance companies, and these answering defendants intend to, and will, make, approve, renew, and approve the renewal of, contracts with such dealers, and these answering defendants are informed after a thorough investigation of the facts, and verily believe and therefore allege, that in no instance has a dealer's contract with these answering defendants, or any of them, been cancelled or terminated because such dealer did business with finance companies other than the respondent finance companies.

5. These answering defendants have repeatedly informed their dealers and also finance companies, orally and in writing, publicly and in individual instances, that no such dealer is or has ever been required or compelled to do business with the respondent finance companies, or any of them, and that fact is and long has been well known to and understood by said dealers, and to finance companies generally.

6. There have long been practices by many finance companies in collaboration with automobile dealers of obtaining by various devices from retail purchasers of automobiles on the installment plan unduly high finance charges. Other manufacturers of automobiles, competitors of these answering defendants, had provided facilities by which purchasers at retail of their automobiles might buy them on the installment plan without paying more than fair and reasonable finance charges. These answering defendants entered into the contracts with the respondent finance companies in good faith and in order that the retail purchasers on the installment plan of automobiles made by Chrysler Corporation might also have available to them fair and reasonable finance charges, and in order that Chrysler Cor- [fol. 23] poration might compete on an equal basis with its competitors in selling automobiles.

7. Under the agreements between these answering defendants and Commercial Credit Company, and in order to meet competition of other automobile manufacturers, time payment charges available to installment buyers of Chrysler Corporation products have been greatly reduced, to the great benefit of the time-buying public. Many finance companies have not reduced their rates to meet these reductions;

others have collaborated with automobile dealers to obtain additional sums for themselves and the dealers in the guise of finance charges, all to the detriment of time payment purchasers of automobiles.

8. These answering defendants have not at any time interfered or exerted influence in any negotiations or arrangements between their dealers and the respondent finance companies concerning agreements of the respondent finance companies to pay reserves to Chrysler dealers or the reserves that the finance companies paid to the dealers or held for the account of said dealers, but in every instance the finance companies negotiated and agreed with the dealers without interference or influence on the part of these answering defendants.

9. By providing fair and reasonable time payment plans and facilities to Chrysler dealers and their customers as aforesaid, and by encouraging the use by Chrysler dealers of time payment plans, which did not require installment buyers of Chrysler products to pay higher finance charges, these answering defendants have been able to compete with other leading manufacturers of automobiles. By this competition they have intended to enable, and have enabled, time payment buyers of Chrysler products to save many millions of dollars which otherwise they would have had to pay as finance charges, and by means of their having thus benefited retail purchasers of automobiles on the installment plan in financing purchases and sales of automobiles, these answering defendants have greatly extended the market for their products, and the employment of workers in their plants, and have enabled many thousands of persons to buy their products who otherwise would have been unable to do so.

[fols. 24-28] Wherefore, these answering defendants respectfully pray that the complaint herein be dismissed.

Will G. Crabill, Office and P. O. Address: J. M. S. Building, South Bend, Indiana; Larkin, Rathbone & Perry, by Nicholas Kelley, Office and P. O. Address: 70 Broadway, New York, N. Y., Attorneys for Defendants Chrysler Corporation, DeSoto Motor Corporation Plymouth Motor Corporation, Chrysler Sales Corporation and Dodge Brothers Corporation.

Acknowledged service Nov. 7, 1938.

Holmes Baldridge.

[fol. 29] IN UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF INDIANA

No. 9 Civil

UNITED STATES OF AMERICA, Petitioner,

against

CHRYSLER CORPORATION, et al., Respondents

FINAL DECREE—November 15, 1938

1. The United States of America filed its petition herein on November 7, 1938; each of the respondents appeared and [fol. 30] filed its answer to such petition, and asserted the truth of its answer and its innocence of any violation of law; the petitioner and the said respondents desire to avoid the expenses of a trial of the issues therein and the loss of time occasioned thereby; no testimony having been taken, each of the respondents consented to the entry of this decree without any findings of fact, upon condition that neither such consent nor this decree shall be considered an admission or adjudication that it has violated any statute; and the United States of America by its counsel having consented to the entry of this decree and to each and every provision thereof, and having moved the court for this injunction,

Therefore, it is ordered, adjudged and decreed as follows:

2. That the court has jurisdiction of all persons and parties hereto; and for the purposes of this decree and proceedings for the enforcement thereof, and for no other purpose, that the court has jurisdiction of the subject matter hereof and the petition states a cause of action against the respondents under the Act of July 2, 1890, entitled "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies".

3. "Respondent Finance Company" as used in this decree shall include Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Delaware, Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Pennsylvania, Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State

of Iowa, Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Michigan, Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Minnesota, Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Missouri, Commercial Credit Company, a corporation organized and duly authorized to do business under the laws of the State of Illinois, Commercial Credit Company, Inc., a corporation organized and duly authorized to do business under the laws of the State of Wisconsin, Commercial Credit Corporation, a corporation organized and duly authorized to [fol. 31] do business under the laws of the State of New Jersey, Commercial Credit Company, Inc., a corporation organized and duly authorized to do business under the laws of the State of Indiana and their officers, directors, agents and employees. "Manufacturer" as used in this decree shall include Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation, all of which are organized and duly authorized to do business under the laws of the State of Delaware, Chrysler Sales Corporation and Dodge Brothers Corporation, both of which are organized and duly authorized to do business under the laws of the State of Michigan and their officers, directors, agents and employees.

4. The respondents, their officers, directors, agents and employees, be and they are hereby enjoined from doing the acts hereby prohibited and to do the acts hereby directed.

5. The following terms, as used in this decree, shall have the following meanings:

(a) "Person" shall mean a person, firm, corporation or association.

(b) "Dealer' shall mean a person who holds a franchise from, or approved by, the Manufacturer that provides for the purchase at wholesale of new automobiles made by the Manufacturer, and who resells the automobiles at retail.

(c) "Wholesale financing" shall mean the advancing by a finance company, as hereinafter defined, of money or credit to or for the account of a dealer to cover, in whole or in part, the cost of new automobiles ordered by the dealer at wholesale.

(d) "Retail financing" shall mean the purchase or other acquisition of retail time sales paper from dealers by finance companies, as hereinafter defined.

(e) "Finance charge" shall mean the difference between the cash delivered price of an automobile and the price of that automobile when sold on an installment payment plan, including or not including (as the plan may provide) insurance for the retail purchaser.

(f) "Finance company" shall mean a person engaged chiefly in wholesale financing or retail financing, or both.

[fol. 32] (g) "Retail time sales paper" shall mean any conditional sale contract, chattel mortgage, lease, note or other instrument given to evidence or secure the obligation to pay the whole or any part of the price of automobiles sold by a dealer at retail.

(h) "A finance company" or "any finance company" shall include Respondent Finance Company.

(i) "Registered finance company" shall mean a finance company which shall be registered as provided in subparagraph (j) of paragraph 6 of this decree including Respondent Finance Company if it be a registered finance company.

(j) "Ford Motor Company" means Ford Motor Company, a corporation of the State of Delaware and its subsidiaries and successors, "General Motors Corporation" means General Motors Corporation, a corporation of the State of Delaware and its subsidiaries and successors, and "General Motors Acceptance Corporation" means General Motors Acceptance Corporation, a corporation of the State of New York and General Motors Acceptance Corporation of Indiana, Incorporated, a corporation of the State of Indiana, and their subsidiaries and successors.

6. The Manufacturer:

(a) Shall permit any finance company or other person to pay for any automobile shipped or otherwise delivered by the Manufacturer to any dealer, upon written specific or continuing authority of the dealer;

(b) So long as the Manufacturer shall continue to give or assign to Respondent Finance Company or any other finance

company, any document of title or lien in respect of such automobiles, it shall not refuse, upon written request of any other finance company, to make available or assign to it similar documents of title or lien in respect of automobiles similarly shipped or delivered to the dealer and paid for by the finance company upon substantially similar terms and conditions;

(c) So long as the Manufacturer shall continue to furnish Respondent Finance Company or any other finance company space for maintaining an office in any place of business of the Manufacturer, it shall not refuse, upon substantially [fol. 33] equivalent terms and conditions and upon written request of any other finance company that extends wholesale financing facilities to dealers operating under franchise of the Manufacturer, to furnish it space for maintaining an office in such place of business; provided that it shall not be a violation of this decree for the Manufacturer to furnish the same only to registered finance companies as defined in sub-paragraph (j) of this paragraph 6;

(d) So long as the Manufacturer shall knowingly continue to furnish to Respondent Finance Company or any other finance company the identity of or other information concerning dealers or prospective dealers, it shall not knowingly refuse to furnish corresponding information, upon substantially similar terms and conditions and upon specific or continuing request as to identity and specific but non-continuing request as to other information, to any other finance company whose territory includes the location of such dealer's or prospective dealer's place of business; provided that it shall not be a violation of this decree for the Manufacturer to furnish the same only to registered finance companies as defined in sub-paragraph (j) of this paragraph 6, or only to a finance company designated in writing to the Manufacturer by the dealer or prospective dealer;

(e) Except as provided by sub-paragraphs (j) and (k) of this paragraph 6,

(i) the Manufacturer shall not establish any practice, procedure or plan for the retail or wholesale financing of automobiles for the purpose of enabling Respondent Finance Company or any other finance company or companies to enjoy a competitive advantage in obtaining the patronage of dealers through any service, facility or privilege

extended by the Manufacturer pursuant to such practice, procedure or plan if such service, facility or privilege or a service, facility or privilege corresponding thereto, is not made available upon its written request to any other finance company upon substantially similar terms and conditions; and

(ii) So long as the Manufacturer shall continue to afford any service, facility or privilege not otherwise specifically referred to in this decree to Respondent Finance Company [fol. 34] or any other finance company or companies, it shall not refuse to afford similar or corresponding services, facilities or privileges upon substantially similar terms and conditions and upon written request to any other finance company for the purpose of giving Respondent Finance Company or any other finance company or companies a competitive advantage in obtaining the patronage of dealers; provided that it shall not be a violation of this decree for the Manufacturer to afford such service, facility or privilege only to registered finance companies as defined in sub-paragraph (j) of this paragraph 6, or only to a finance company designated in writing to the Manufacturer by the dealer or prospective dealer;

the written request shall specify in each instance the particular service, facility or privilege desired;

(f) The Manufacturer shall not give or make available or deny or threaten to deny to any dealer any service or facility, or discriminate among its dealers in any other manner, for the purpose of influencing a dealer to patronize Respondent Finance Company or any other finance company, or registered finance companies;

(g) The Manufacturer shall not enter into or further continue any contract or agreement with any dealer (1) which provides that the dealer shall patronize only Respondent Finance Company or any other finance company selected by the Manufacturer or registered finance companies; or (2) which requires the dealer to observe any plan for or rate of financing the purchase and sale of automobiles designated by the Manufacturer;

(h) The Manufacturer shall not cancel or terminate any contract, franchise or agreement with any dealer, or threaten to do so, because of failure of such dealer to patronize Respondent Finance Company, or any other finance

company, or because of the failure of the dealer to patronize registered finance companies;

(i) The Manufacturer shall not, except in each instance upon written request of the dealer or prospective dealer, arrange or agree with Respondent Finance Company or any other finance company that an agent of the Manufacturer and an agent of the finance company shall together be present with any dealer or prospective dealer for the purpose [fol. 35] of influencing the dealer to patronize Respondent Finance Company or such other finance company; provided, however, that it shall not be a violation of this decree for the Manufacturer to assist any dealer or prospective dealer, because of said dealer's or prospective dealer's financial situation or requirements, by joint conference with him and a representative of a particular finance company, to obtain special facilities or services (such term not including only the financing of the shipment or delivery of automobiles to such dealer or prospective dealer and/or only the purchase or acquisition of retail time sales paper from him in the regular course of business) from the particular finance company and, in part consideration of such special facilities or services, for such dealer or prospective dealer to arrange to do business with such finance company on an exclusive basis for a reasonable period of time as may be agreed between them;

(j) As used in this decree the word "registered" as applied to a finance company means a finance company that shall have done the following things and shall have filed a statement that meets the following requirements:

1. The statement shall be signed and acknowledged by the finance company and sworn to by an officer thereof, and shall have been filed in this proceeding and a copy thereof certified by the clerk shall have been served on the Manufacturer.

2. The finance company shall not in any manner have withdrawn the statement or rendered it ineffective.

3. The court shall not have made an order to the effect that the finance company shall cease to be a registered finance comany; or, if so, the finance company shall have obtained an order reinstating it as a registered finance company, or otherwise shall have become again a registered finance company.

4. The statement shall be in the following form:

"To Chrysler Corporation (hereinafter called the 'Manufacturer'):

"(A) This statement is made pursuant to sub-paragraph (j) of paragraph 6 of a decree of the United States District Court for the Northern District of Indiana, in a cause en- [fol. 36] titled 'United States of America vs. Chrysler Corporation et al.,' dated November 15, 1938.

"(B) The undersigned finance company, in acquiring retail time sales paper, arising from sales of automobiles, from dealers of the Manufacturer, wherever located, will conform to the following rules:

(1) If the finance company acquires retail time sales paper from a dealer of the Manufacturer on a finance plan which includes insurance to be arranged for by the finance company, the finance company shall (unless the insurance company to which the risk is submitted declines to write the risk) arrange for such insurance as the dealer represents to the finance company is to be arranged for by it and shall mail or cause to be mailed to the buyer a policy or certificate of insurance so arranged for within twenty-five days after the finance company acquires such retail time sales paper. Such policy or certificate shall recite the character of the coverage and the amount of the insurance premium;

(2) The finance company will not require or accept assignments of wages or salaries, or garnish wages or salaries to collect deficiency judgments in respect of automobiles sold for less than $1,000 and for private and non-commercial use unless, prior to repossession, it has requested the buyer to return the automobile to it and he has not done so;

(3) The finance company will not take any deficiency judgment where the retail purchaser of an automobile, sold for private and non-commercial use, has paid at least 50% of his note or other obligation, and will not collect from any retail purchaser of an automobile, through deficiency or other judgments, any amount in excess of its actual losses and expenses upon the failure of such purchaser to pay his note or other obligation, and will pay to or credit to the account of such purchaser any surplus over the amount owing by him on his note or other obligation which the

finance company or its nominee or its affiliated or subsidiary company may realize on the purchaser's note or other obligation and the automobile or any other security therefor;

(4) The finance company will not assign or transfer any retail time sales paper owned or held by it to any other [fol. 37] person, except a dealer from whom the finance company acquired the paper on a full recourse basis rather than upon a non-recourse basis or upon the dealer's agreement to repurchase the automobile if repossessed, without limiting the rights, and creating an obligation in its assignee and his successors in interest, to proceed against the retail buyer only in the manner and to the extent that the finance company is authorized to proceed hereunder;

(5) The finance company will not make a higher charge, for granting an extension or rewriting a transaction, than the approximate pro-rata equivalent of the original finance charge, or charge more than 5 per cent of the delinquent instalments for reinstating a delinquent account or charge more than its out-of-pocket expense plus a reasonable amount for the time of its employes as collection or repossession expenses;

(6) The finance company will not require the dealer to take a chattel mortgage or other lien on property other than the automobile purchased, as additional security for the payment for such automobile sold for private and non-commercial use; and will not accept an assignment from the dealer of such a chattel mortgage or other lien;

(7) The finance company will not represent to any person that it is, in any way, connected or affiliated with the Manufacturer, or that it has been approved, recommended or endorsed by the Manufacturer, or in any way ascribe to the Manufacturer or its dealers responsibility for, or authorization of, its acts; but this shall not prevent the finance company from stating if that be the case that it is a registered finance company, and at any time when a plan adopted by the Manufacturer is in effect this shall not prevent the finance company from stating if that be the case that it is a registered finance company and is offering financing service in accordance with the plan;

(8) The finance company will not intentionally do anything injurious to the good will of the Manufacturer or to

the reputation of its products, or to the goodwill of its dealers except as may result from the assertion of any legal or contractual rights;

(9) The finance company will not without the consent of the Manufacturer disclose to any competitor of the Manu- [fol. 38] facturer information which it shall have received from the Manufacturer;

(10) The finance company will disclose to the purchaser whatever information is required to be disclosed by, and will otherwise comply with, any further order of the court entered pursuant to paragraph 8 of the decree hereinbefore mentioned;

(11) The finance company will not violate any other reasonable rule hereafter from time to time established by the Manufacturer, approved by the Department of Justice of the United States and incorporated herein by the further order of the United States District Court for the Northern District of Indiana, after notice by registered mail to all registered finance companies and notice in such form as the court may determine to be reasonable to other finance companies and interested parties and an opportunity for hearing to the persons so notified.

"(C) The area within which the finance company conducts its business is: [*insert either 'the United States' or the names of specific states, counties or cities*], and notwithstanding the designation of an area, the finance company nevertheless will comply with clauses (B) and (D) in all areas in which it may now or hereafter do business with dealers of the Manufacturer.

"(D) Until the effective date of any withdrawal of this statement by the finance company in the manner provided by paragraph 1 of sub-paragraph (k), or in the manner provided by paragraph 5 or by paragraph 6, of sub-paragraph (j), of paragraph 6 of said decree, all retail time sales paper, created after the effective date of any plan or plans or modification thereof and covering new automobiles made by the manufacturer, acquired by the finance company from the Manufacturer's dealers (whether located in the area described in Clause (C) hereof or elsewhere), shall be acquired by it in accordance with the terms of any plan or plans of financing adopted by the Manufacturer as provided by said sub-paragraph (j) and then in effect; provided:

a. The finance charges included in such retail paper may be less than the finance charges specified by such plan or plans or modification thereof, and the other terms of such paper may be more favorable to the retail purchaser than [fol. 39] the terms so specified; and b. the finance company may acquire retail time sales paper covering new automobiles made by the Manufacturer in which the retail purchaser of the automobile is required to pay a finance charge in excess of the finance charge specified in the plan so adopted or modification thereof, but only if the finance company shall promptly credit such retail purchaser on the time purchase price of the automobile with the amount of the excess. The words 'finance charge' as used in this statement shall mean the difference between the cash delivered price of an automobile and the price of that automobile when sold on an instalment payment plan, including or not including (as the plan may provide) insurance for the retail purchaser.

"(E) This statement is filed on behalf of, and shall bind, the undersigned finance company and all finance companies owned or controlled by the undersigned finance company, and all finance companies which own or control the undersigned finance company or are under common ownership or control with it.

"(F) The address of the finance company's principal office is ——.

—— Finance Company, by ——, President.

Attest:

——, Secretary.

STATE OF ——,
County of ——, ss:

On this — day of ——, 19—, personally appeared before me, a notary public, —— to me known and known to me to be the person who executed the foregoing statement, and who by me being duly sworn acknowledged and deposed that he is —— President of said Corporation; that he executed the foregoing statement on its behalf; that he executed said statement by authority of the Board of Directors of said corporation and that the seal of said corporation was thereunto affixed by like authority.

——, Notary Public.

STATE OF ——,
County of ——, ss:

——, being duly sworn, deposes and says that he is an officer, to wit the —— of ——, the finance company which [fol. 40] executed the foregoing statement, and that said statement is in all respects true.

——.

Signed and sworn to before me this — day of ——, 19—. ——, Notary Public".

[Appropriate changes to be made for finance companies which are not corporations.]

5. Any registered finance company may file with the court a notice in writing of its withdrawal of its sworn statement above mentioned, and serve upon the Manufacturer a copy of said notice, certified by the Clerk of the Court, and ninety days after such service or at such later date as may be stated in the notice, the finance company shall cease to be a registered finance company and the Manufacturer shall notify its dealers that such finance company has ceased to be a registered finance company.

6. The Manufacturer shall notify each finance company, which makes written specific or continuing request therefor, by registered mail of every additional rule which is incorporated in the sworn statement as provided in sub-division (11) of clause (B) of sub-paragraph (j) of this paragraph 6. The notice shall set forth the provisions of the rule and the date, not less than thirty days after the date of mailing the notice, upon which the rule shall go into effect. Any registered finance company so notified may before that date file with the court notice in writing setting forth that it withdraws its sworn statement because it does not intend to be bound by said rule, and serve upon the Manufacturer a copy of said notice certified by the Clerk of the Court, and thereupon the finance company at once and without lapse of any time shall cease to be a registered finance company and the Manufacturer shall notify its dealers that said finance company has ceased to be a registered finance company.

7. The Petitioner, the Manufacturer or any registered finance company shall be entitled to make application to

the court, for an order herein finding and adjudging that a registered finance company has failed to comply with its sworn statement, and jurisdiction of this cause is reserved for the entry of orders upon such applications as the facts and justice may require (after such notice and hearing as the court may direct) suspending or revoking the registra- [fol. 41] tion of any registered company or dismissing the application. If the order shall provide that such finance company shall cease to be a registered finance company indefinitely, the finance company may, not less than six months thereafter, apply to the court for an order reinstating it as a registered finance company, and jurisdiction of this cause is reserved to grant or deny such application, or grant it upon such terms and conditions, if any, as the court may determine for the purpose of assuring farther compliance with such finance company's sworn statement. Upon the entry of an order finding that a finance company has failed to comply with its sworn statement, as aforesaid, if the Manufacturer shall have made the application for such an order, or upon service upon the Manufacturer of a copy of said order certified by the Clerk of the Court if another party shall have made such application, the Manufacturer shall notify its dealers of the entry and the terms of such order and shall treat said company as a company that is not a registered finance company or as the order of the court may require.

8. Withdrawal of its sworn statement by a registered finance company and any order suspending or revoking the registration of any registered company or dismissing the application shall be applicable to all finance companies embraced by the sworn statement under clause (E) thereof.

9. Service of all papers hereinbefore required to be made upon the Manufacturer shall be made personally upon an officer of the Manufacturer, or by registered mail to the Manufacturer, at its principal office now located in Highland Park, Detroit, Michigan.

10. Service of all papers upon a finance company pursuant to this decree shall be made personally or by registered mail addressed to it at its principal office as shown in its statement.

(k) The Manufacturer shall not, except as hereinafter provided, recommend, endorse or advertise the Respondent

Finance Company or any other finance company or companies to any dealer or to the public; provided, however, that nothing in this decree contained shall prevent the Manufacturer in good faith:

(1) From adopting from time to time a plan or plans of financing retail sales of new automobiles made by the Manu- [fol. 42] facturer or from time to time withdrawing or modifying the same;

(2) From recommending to its dealers the use of such plans;

(3) From advising its dealers that such plans are available through all registered finance companies which have indicated their readiness to do buiness under the plan in such dealers' area or from advising the names of such companies;

(4) From advertising to the public and recommending the use of such plans;

(5) From advertising to the public that such plans are available through all registered finance companies which have indicated their readiness to do business under the plan in the area to which such advertisement is directed or from advertising the names of such companies.

1. The Manufacturer shall notify each finance company, which makes written specific or continuing request therefor by registered mail, of every plan and modification thereof that the Manufacturer shall adopt. The notice shall set forth the provisions of the plan or modification and the date, not less than thirty days after the date of mailing the notice, upon which the plan or modification shall go into effect. Any registered finance company so notified may before that date file with the court notice in writing setting forth that it withdraws its sworn statement because it does not intend to be bound by said plan or modification, as the case may be, and serve upon the Manufacturer a copy of said notice certified by the Clerk of the Court, and thereupon the finance company at once and without lapse of any time shall cease to be a registered finance company and the Manufacturer shall notify its dealers that said finance company has ceased to be a registered finance company.

2. Nothing in this decree shall prevent the Manufacturer from obtaining such assurances as it may desire from one

or more finance companies before or after adoption of any plan or modification that it or they will make such plan or modification available for at least a specified period of time; provided, however, that the Manufacturer may not give such finance company or finance companies, as consideration for such assurances, any consideration prohibited by this decree.

[fol. 43] 3. The adoption or modification of any plan under this sub-paragraph (k) shall not preclude any aggrieved finance company or any other aggrieved person, who considers that such plan or modification constitutes an unreasonable restraint of trade or commerce in automobiles under the Sherman Anti-trust Law from applying to this court to vacate such plan, and the court reserves jurisdiction to make an order upon such application approving or vacating such plan, upon the execution of proper bond against damages for an order of vacation subsequently reversed or vacated.

(l) The Manufacturer shall not use any information obtained from any dealer, his agents, representatives, servants and employees, either directly by examination or inspection of his books or records, or through financial, operating or other statements or reports or otherwise, nor shall it require disclosure of any such information, for the purpose of influencing such dealer to patronize Respondent Finance Company or any other finance company or group of finance companies. Nothing herein contained shall apply to the disclosure or use of any information at the dealer's written request or for the purpose of assisting the dealer, at his specific written request, to obtain wholesale or retail financing or special facilities or services from Respondent Finance Company or any other finance company designated by the dealer in such written request.

7. The Respondent Finance Company:

(a) Shall not represent in any manner to any dealer that the Manufacturer requires him to patronize Respondent Finance Company, or that his failure to do so will result in the cancellation or termination by the Manufacturer of his contract, franchise or agreement, or in the loss of any advantage, service or facility furnished by the Manufacturer, or that Respondent Finance Company can obtain from the Manufacturer any facility, service or privilege which is not

available to any other finance company, except (if Respondent Finance Company is a registered finance company) such services, facilities or privileges as result from the registration of a registered finance company, under paragraph 6 of this decree;

(b) Until further order of this court pursuant to paragraph 8 hereof, shall pay to every dealer who ceases to do [fol. 44] business with it the amount of all reserves standing to the credit of such dealer, less any off-setting indebtedness of such dealer, such payment to be made not later than thirty (30) days after liquidation of all of the retail paper acquired from such dealer, and shall comply with any provisions relating thereto contained in any further decree entered pursuant to paragraph 8 of this decree;

(c) Shall not enter into any contract, agreement or understanding with any dealer, in connection with wholesale financing for which a separate charge is not made, which requires the dealer to deal with Respondent Finance Company in respect of retail financing of automobiles not financed at wholesale by Respondent Finance Company;

(d) Shall not, except upon written request of the dealer or prospective dealer, arrange or agree with the Manufacturer that an agent of the Manufacturer and an agent of Respondent Finance Company shall together be present with any dealer or prospective dealer for the purpose of influencing the dealer or prospective dealer to patronize Respondent Finance Company; provided, however, that it shall not be a violation of this decree for Respondent Finance Company by joint conference with a dealer or prospective dealer and a representative of the Manufacturer to agree to furnish to such dealer or prospective dealer, because of his financial situation or requirements, special facilities or services (such term not including only the financing of the shipment or delivery of automobiles to such dealer or prospective dealer and/or only the purchase or acquisition of retail time sales paper from him in the regular course of business) and in part consideration of such special facilities or services to arrange for the dealer or prospective dealer to do business with Respondent Finance Company on an exclusive basis for such reasonable period of time as may be agreed between them.

8. In the event that a final decree not subject to further review is entered by a court of competent jurisdiction in

any proceeding hereafter instituted by the United States against General Motors Corporation and General Motors Acceptance Corporation, granting relief to the Government against said corporations upon allegations substantially identical with the allegations in Paragraph 18 of Section III of the petition herein, then and in that event the court [fol. 45] shall have jurisdiction to enter its supplemental decree herein granting such relief, if any, against the Respondent Finance Company or any of them, with respect to the allegations of said paragraph of the petition, as justice may then require. Such proceeding shall be upon application of the United States and upon proper notice and opportunity for hearing to the respondents and the presentation of evidence (including evidence with respect to the other acts and practices of the Respondent Finance Company and the Manufacturer alleged in the petition and evidence of the acts and practices of other finance companies and the volume of business done by them) relevant in determining the legality under the Sherman Anti-trust Law of the acts and practices of the Respondent Finance Company alleged in Paragraph 18 of Section III of the petition and established before the court, considered in combination with any other acts and practices of the Respondent Finance Company and the Manufacturer alleged in the petition and established before the court, and relevant in determining what further decree, if any, is necessary in addition to this decree in order to require Respondent Finance Company thereafter to conduct its business in accordance with the Sherman Anti-trust Law in respect of the acts and practices alleged in said paragraph, reserving to each of the Respondent Finance Company the right to present all defenses in law or fact as to any of the matters tendered by the Government in such proceeding which would be open if this decree had not been entered, provided, however, that such supplemental decree shall be subject to review as fully as though entered as the final decree in an original non-jury action and shall be vacated upon motion of any party if not so reviewable.

9. The respondents shall not in combination or conspiracy do any act which this decree forbids or omit any act which this decree requires.

10. Upon complaint by the petitioner that any respondent has failed to comply with the provisions of the foregoing

sub-paragraphs (e), (f), (i) and (l) of paragraph 6, or of sub-paragraph (d) of paragraph 7 of this decree, and the defense of such respondent that the act or acts complained of were not done for the forbidden purpose or purposes, the burden shall be upon such respondent to prove that the act complained of was done for a purpose not forbidden.

[fo. 46] 11. The Manufacturer shall mail a copy hereof to its dealers, regional and district managers and field representatives in the continental United States and Respondent Finance Company shall mail a copy hereof to its zone, regional and branch managers in the continental United States; and said Manufacturer and Respondent Finance Company respectively shall within thirty (30) days after the entry of this decree file with this court an affidavit or affidavits showing the manner in which they severally shall have complied with this provision hereof.

12. The Respondent Finance Company shall not pay to any automobile manufacturing company and the Manufacturer shall not obtain from any finance company any money or other thing of value as a bonus or commission on account of retail time sales paper acquired by the finance company from dealers of the Manufacturer. The Manufacturer shall not make any loan to or purchase the securities of Respondent Finance Company or any other finance company, and if it shall pay any money to Respondent Finance Company or any other finance company with the purpose or effect of inducing or enabling such finance company to offer to the dealers of the Manufacturer a lower finance charge than it would offer in the absence of such payment, it shall offer in writing to make, and if such offer is accepted it shall make, payment upon substantially similar bases, terms and conditions to every other finance company offering such lower finance charge; provided, however, that nothing in this paragraph contained shall be construed to prohibit the Manufacturer from acquiring notes, bonds, commercial paper, or other evidence of indebtedness of Respondent Finance Company or any other finance company in the open market.

It is an express condition of this decree that notwithstanding the provisions of the preceding paragraph of this paragraph 12 and of any other provisions of this decree, if an effective final order or decree not subject to further review shall not have been entered on or before January

1, 1941, requiring General Motors Corporation permanently to divest itself of all ownership and control of General Motors Acceptance Corporation and of all interest therein, then and in that event, nothing in this decree shall preclude the Manufacturer from acquiring and retaining ownership of and/or control over or interest in any finance [fol. 47] company, or from dealing with such finance company and with the dealers in the manner provided in this decree or in any order of modification or suspension thereof entered pursuant to paragraph 12a. The Court, upon application of the respondents or any of them, will enter an order or decree to that effect at the foot of this decree, and the right of any respondent herein to make the application and to obtain such order or decree is expressly conceded and granted.

12a. It is a further express condition of this decree that:

(1) If the proceeding now pending in this court against General Motors Corporation instituted by the filing of an indictment by the Grand Jury on May 27, 1938, No. 1039, or any further proceeding initiated by reindictment of General Motors Corporation for the same alleged acts, is finally terminated in any manner or with any result except by a judgment of conviction against General Motors Corporation and General Motors Acceptance Corporation therein, then and in that event, every provision of this decree except those contained in this sub-paragraph (1) of this paragraph 12a of this decree, shall forthwith become inoperative and be suspended, until such time as restraints and requirements in terms substantially identical with those imposed herein, shall be imposed upon General Motors Corporation and General Motors Acceptance Corporation and their subsidiaries either (a) by consent decree, or (b) by final decree of a court of competent jurisdiction not subject to further review, or (c) by decree of such court which although subject to further review continues effective. The court reserves jurisdiction upon application of any party to enter orders at the foot of this decree in accordance with the provisions of this paragraph.

(2) A general verdict of guilty returned against General Motors Corporation in said proceeding, followed by the entry of judgment thereon, shall be deemed to be a determination of the illegality of any agreement, act or prac-

tice of General Motors Corporation which is held by the trial court, in its instructions to the jury, to constitute a proper basis for the return of a general verdict of guilty. A special verdict of guilty returned against General Motors Corporation in said proceeding, followed by the entry of judgment thereon, shall be deemed to constitute a determination of the illegality of any agreement, act or [fol. 48] practice of General Motors Corporation which is the subject of such special verdict of guilty. A plea of guilty or nolo contendere by General Motors Corporation, followed by the entry of judgment of conviction thereon, shall be deemed to be a determination of the illegality of any agreement, act or practice which is the subject matter of such plea. The determination, in the manner provided in this clause, of the illegality of any agreement, act or practice of General Motors Corporation shall (for the purposes of clause (3) of this paragraph) be considered as the equivalent of a decree restraining the performance by General Motors Corporation of such agreement, act or practice, unless or until such judgment is reversed, or unless such determination is based, in whole or in part, (a) upon the ownership by General Motors Corporation of General Motors Acceptance Corporation, or (b) upon the performance by General Motors Corporation of such agreement, act or practice in combination with some other agreement, act or practice with which the respondents are not charged in the indictment heretofore filed against them by the Grand Jury on May 27, 1938, No. 1040;

(3) After the entry of a consent decree against General Motors Corporation, or after the entry of a litigated decree, not subject to further review, against General Motors Corporation by a court of the United States of competent jurisdiction, or after the entry of a judgment of conviction against General Motors Corporation in the proceeding hereinbefore referred to, or after January 1, 1940 (whichever date is earliest), the court upon application of any respondent from time to time will enter orders:

(i) suspending each of the restraints and requirements contained in sub-paragraphs (d) to (f) and (h) to (l), inclusive, of paragraph 6 of this decree to the extent that it is not then imposed, and until it shall be imposed, in substantially identical terms, upon General Motors Corporation and its subsidiaries, and suspending each of the re-

straints and requirements contained in sub-paragraphs (a), (c) and (d) of Paragraph 7 of this decree to the extent that it is not imposed and until it shall be imposed in substantially identical terms, upon General Motors Acceptance Corporation and its subsidiaries, either (w) by consent decree, or (x) by final decree of a court of competent jurisdiction not subject to further review, or (y) by decree of [fol. 49] such court which, although subject to further review, continues effective or (z) by the equivalent of such a decree as defined in clause (2) of this paragraph; provided, however, that if the provisions of a consent or litigated decree against General Motors Corporation and its subsidiaries corresponding to sub-paragraphs (j) and (k) of paragraph 6 of this decree are different from said sub-paragraphs of this decree, then upon application of the respondents any provision or provisions of said sub-paragraphs will be modified so as to conform to the corresponding provisions of such General Motors Corporation decree;

(ii) suspending each of the restraints and requirements contained in the remaining sub-paragraphs (a), (b), (c) and (g) of paragraph 6 to the extent that it is not then imposed, and until it shall be imposed, upon General Motors Corporation and its subsidiaries in any manner specified in the foregoing sub-clause (i) of this clause (3), if any respondent shall show to the satisfaction of the court that General Motors Corporation or its subsidiaries is performing any agreement, act or practice prohibited to the Manufacturer by said remaining sub-paragraphs, and suspending each of the restraints and requirements contained in sub-paragraph (b) of Paragraph 7 of this decree to the extent that it is not imposed, and until it shall be imposed, upon General Motors Acceptance Corporation and its subsidiaries in any said manner, if any respondent shall show to the satisfaction of the court that General Motors Acceptance Corporation is performing any agreement, act or practice prohibited to Respondent Finance Company by said sub-paragraph (b) of Paragraph 7;

(iii) suspending the restraints of sub-paragraph (d) of paragraph 7 of this decree as to Respondent Finance Company, in the event that the restraints of sub-paragraph (i) of paragraph 6 of this decree are suspended as to the Manufacturer;

(4) The right of the respondents or any of them to make any application for the suspension of any provision of this decree in accordance with the provisions of this paragraph 12a and to obtain such relief is hereby expressly granted.

In the event that at any time prior to the date when General Motors Corporation has permanently divested itself of all ownership and control of and interest in General [fol. 50] Motors Acceptance Corporation, General Motors Acceptance Corporation shall make available to dealers of General Motors Corporation in any area a finance charge, on all or any class of automobiles sold by dealers of General Motors Corporation, less than the finance charge then generally available to dealers of the Manufacturer within such area, nothing in this decree shall prevent the Manufacturer from making, and the Manufacturer may make, adjustments, allowances or payments to or with all of its dealers in such area who agree to reduce to an amount approved by the Manufacturer (but not less than that then made available by General Motors Acceptance Corporation) the finance charges which such dealers of the Manufacturer in such area receive from any class of retail purchasers of automobiles, provided that such adjustments, allowances or payments shall not discriminate among such dealers in such area.

13. This decree shall not be pleaded in bar by the respondents in any action under the Anti-Trust Laws instituted by the petitioner against them or any of them in this court or in a court in any other judicial district as to matters arising after the entry of this decree; provided, however, that this paragraph shall not apply to matters which are covered by this decree or which form a part of the cause of action herein or which are a continuance or repetition of acts or practices in which the respondents now engage which form a part of the cause of action herein.

14. Jurisdiction of this cause is retained for the purpose of enabling any of the parties to this decree to make application to the court at any time for such further orders and directions as may be necessary or appropriate in relation to the construction of or carrying out of this decree, for the modification thereof (including, without limitation, any modification upon application of the respondents or any of them required in order to conform this decree to any Act

of Congress enacted after the date of entry of this decree), for the enforcement of compliance therewith, the punishment of violations thereof, and the carrying out of the provisions of sub-paragraphs (j) and (k) of paragraph 6 hereof, and the October, 1938, Term of this court is hereby extended indefinitely for such purposes.

15. It is hereby further provided that if it shall appear to the court upon application of any respondent that, (A) [fol. 51] in any twelve (12) months' period after the date of entry of this decree, any present or future competitor of the Manufacturer other than General Motors Corporation or Ford Motor Company shall have sold in the United States, or any State thereof, a quantity of automobiles that shall equal or exceed 25% of the automobiles sold by the Manufacturer in the United States or said State in said period, and (B) that such competitor is doing or engaging in any of the acts, practices, procedures or things then prohibited hereunder or is failing to do or engage in any act, practice, procedure or thing required hereunder, and (C) that the doing or engaging in of said acts, practices, procedures or things, or the omission of them, as the case may be, by such competitor has resulted or threatens to result in placing the Manufacturer at a competitive disadvantage in the sale of automobiles as against such competitor, and (D) that the petitioner herein has not obtained or is not proceeding with due diligence by civil or criminal proceedings to obtain an adjudication of the illegality of such acts, practices, procedures or things so performed or engaged in, or omitted to be performed or engaged in, as the case may be, under the Anti-Trust Laws, the court upon application of the respondents or any of them will enter its further order and decree providing that the provisions of this decree not so imposed upon or sought to be adjudicated against such competitor shall be inoperative and that they shall have no future force or effect in the United States or said State, as the case may be, and the right of the respondents to make such applications and to obtain such relief is hereby expressly granted.

It is hereby further provided that if it shall appear to the court upon application of any respondent that (A) in any twelve (12) months' period after the date of entry of this decree any present or future competitor of Respondent Finance Company other than General Motors Acceptance

Corporation or Commercial Investment Trust Corporation or Universal Credit Company shall have financed the retail sale of a quantity of automobiles in the United States or any State thereof that shall equal or exceed 25% of the automobiles the sale of which was financed by Respondent Finance Company in the United States or said State in said period, and (B) that such competitor is doing or engaging in any of the acts, practices, procedures or things then prohibited hereunder or is failing to do or engage in any [fol. 52] act, practice, procedure or thing required hereunder, and (C) that the doing or engaging in of said acts, practices, procedures or things, or the omission of them, as the case may be, by such competitor has resulted or threatens to result in placing the Respondent Finance Company at a competitive disadvantage in financing the sale of automobiles as against such competitor, and (D) that the petitioner herein has not obtained or is not proceeding with due diligence by civil or criminal proceedings to obtain an adjudication of the illegality of such acts, practices, procedures or things so performed or engaged in, or omitted to be performed or engaged in, as the case may be, under the Anti-Trust Laws, the court upon application of the respondents or any of them will enter its further order and decree providing that the provisions of this decree not so imposed upon or sought to be adjudicated against such competitor shall be inoperative and that they shall have no future force or effect in the United States or said State, as the case may be, and the right of the respondents to make such applications and to obtain such relief is hereby expressly granted.

16. Nothing in this decree shall limit the control by the Manufacturer of a subsidiary or limit the control by Respondent Finance Company of any subsidiary or affiliated company.

17. Whenever obligations are imposed upon the respondents by the laws or regulations of any state with which the respondents by law must comply in order to do business in such state, the court upon application of the respondents or any of them will from time to time enter orders relieving the respondents from compliance with any requirements of this decree in conflict with such laws or regulations and the right of the respondents to make such applications and to obtain such relief is expressly granted.

18. After four years after the date of the entry of this decree any respondent may apply to the court to vacate this decree or any supplemental decree entered pursuant to paragraph 8 hereof or to vacate or modify any provision thereof on the ground that the commission or omission of any of the agreements, acts or practices herein prohibited or required, under the economic or competitive conditions existing at the time of such application, does not constitute an unreasonable restraint of trade or commerce [fol. 53] among the states in automobiles within the meaning of the Sherman Anti-trust Law as amended to the date of such application, regardless of whether or not such economic or competitive conditions are new or unforeseen. Jurisdiction of this cause is retained for the purpose of granting or denying such applications as justice may require and the October, 1938, Term of this court is hereby extended indefinitely for such purpose and the right of the respondents to make such applications and to obtain such relief is expressly granted. The provisions of this paragraph are in addition to, and not in limitation of, the provisions of any other paragraph of this decree.

19. This decree shall have no effect with respect to respondents' acts and operations without the continental United States or to their acts and operations within the continental United States relating, exclusively, to acts and operations without the continental United States.

20. This decree shall go into effect one hundred and twenty days after the date of entry hereof, except as to the provisions of paragraphs 8, 11, and 12 hereof, which said paragraphs shall take effect as therein provided.

Thos. W. Slick, District Judge.

Dated: November 15, 1938.

[fol. 54] In United States District Court

[Title omitted]

Motion for Modification of Final Decree—Filed December 17, 1940

The United States of America, plaintiff in the above entitled action, by James R. Fleming, United States Attorney

for the Northern District of Indiana, acting under the direction of the Attorney General, represents and moves as follows:

That on November 15, 1938, a final decree was entered by consent in this case containing a section numbered 12, to which reference is hereby made; that the terms of said section 12, among other things, enjoined the respondent finance company from paying to any automobile manufacturing company, and enjoined the respondent manufacturer from obtaining from any finance company, any commission or return arising from the handling of time paper acquired by the finance company from dealers of the manufacturer, [fol. 55] and likewise enjoined the manufacturer from making loans to, or, subject to limitations, purchasing the securities of, the respondent finance company or any other finance company, and otherwise affected the relationship between the manufacturer and the finance companies.

Section 12 also provided in substance that if an effective final order or decree by the terms of which General Motors Corporation should be required to divest itself of all ownership and control of General Motors Acceptance Corporation and of all interest therein should not have been entered on or before January 1, 1941, then nothing in said decree should preclude the manufacturer from acquiring and retaining ownership or control of or an interest in any finance company.

The plaintiff represents that it has expeditiously taken and pursued all courses necessary and proper for procuring such order and decree against General Motors Corporation; that at the time when the decree in this case was entered the length of time which would be required to procure said order and decree against General Motors Corporation was by mistake of the parties underestimated; that the entering of such order and decree against General Motors Corporation was and is dependent on the proving of certain involved facts and on the establishing of certain numerous disputed principles of law; that it was then believed by the parties to said consent decree that the case pertaining to General Motors Corporation could be more promptly disposed of than subsequent conditions have indicated and that the aforesaid final order or decree could be procured on or before January 1, 1941; that the issues which would be involved in a case resulting in such final order or decree have been to a great extent, and are, involved in a certain

criminal proceeding, to wit, United States of America v. General Motors Corporation, et al., Criminal Case No. 1039, arising on an indictment returned in this Court on the 27th day of May, 1938; that the parties hereto, at the time of the entering of the consent decree, anticipated that such criminal case would be disposed of without extensive and lengthy litigation, and that by its results the issues in said civil suit would be substantially effected and settled; that said criminal action unexpectedly developed many preliminary hearings and interlocutory matters, and as a result its final disposition has not yet been reached; that after innumerable pleas, motions and hearings and a long trial [fol. 56] to a jury, a verdict of guilty against General Motors Corporation, General Motors Acceptance Corporation and other defendants has been returned and sentence thereon was imposed on November 17, 1939; that judgment has been entered thereon; that an appeal from the aforesaid judgment is now pending, and that the issues of law therein raised are the same in many particulars as the issues of law which will be involved at the trial of the aforesaid civil suit which aims at requiring General Motors Corporation to divest itself of ownership and control of General Motors Acceptance Corporation; that the plaintiff on, to wit, the 4th day of October, 1940, duly filed complaint in the District Court of the United States for the Northern District of Illinois, Eastern Division, against said General Motors Corporation and General Motors Acceptance Corporation, whereby it seeks the remedy referred to in said section 12, to wit, that General Motors Corporation shall divest itself of all ownership and control of General Motors Acceptance Corporation and all interest therein; that the aforesaid case is entitled United States of America, plaintiff, v. General Motors Corporation and General Motors Acceptance Corporation, defendants, Civil Action No. 2177, in said Court; that the aforesaid criminal case now pending on appeal, and the aforesaid civil action now pending in the said Northern District of Illinois, Eastern Division, involve to a great extent the same facts and an adjudication in the former will constitute res adjudicata and will be binding on the defendants in the trial of the latter; that the settling of the issues of law and fact in the appealed case will simplify and shorten the trial in the civil suit; that should the plaintiff have proceeded in the trial of the civil

suit before the said criminal suit was disposed of, the trial of said civil suit would require the consummation of much time in establishing facts which under the principle of res adjudicata will be promptly and briefly proved after the final adjudication of the criminal case; that to proceed with the trial of the civil suit before the criminal action is disposed of would needlessly greatly lengthen the time of the Court required for hearing of the aforesaid case, would involve great additional and unnecessary expense to all parties, would interfere with the efficiency in presenting the appeal in the criminal case on the one hand and the trial of the civil case on the other, and would result in a needless retrial of the same issues of law and facts; [fol. 57] that the aforesaid criminal appeal is now pending in the United States Circuit Court of Appeals for the Seventh Circuit, and that the aforesaid appeal should be disposed of within a reasonably short time; that the United States has proceeded with diligence in the instituting and prosecuting of the aforesaid civil case and will continue so to proceed; that a decision of the issues in that case will establish a precedent applicable to and controlling on the issues mentioned in said section 12; and that on account of the complication of the various proceedings herein described the aforesaid civil case cannot be disposed of on or before January 1, 1941, and before the aforesaid case can be disposed of and final order or decree therein entered, at least an additional year will elapse.

The plaintiff further represents that this Court has, by section numbered 18 of the aforesaid consent decree in this case, retained jurisdiction for the purpose of granting or denying such application for modification of said decree as justice may require.

And the plaintiff therefore moves that the aforesaid decree as contained in said section 12 be modified in such manner that the words in the second paragraph of said section 12, to wit, "on or before January 1, 1941", be modified and considered as if they had been written as follows: "on or before January 1, 1942", and that at the close of the said paragraph in which the aforesaid words occur the following sentence be inserted: "The modification of this decree shall not preclude the plaintiff from seeking a further extension of the time within which the aforesaid decree may be entered"; with the result that said decree

shall be modified in such manner that the said part of said section 12 shall read as follows:

It is an express condition of this decree that notwithstanding the provisions of the preceding paragraph of this paragraph 12 and of any other provisions of this decree, if an effective final order or decree not subject to further review shall not have been entered on or before January 1, 1942, requiring General Motors Corporation permanently to divest itself of all ownership and control of General Motors Acceptance Corporation and of all interest therein, then and in that event, nothing in this decree shall preclude the Manufacturer from acquiring and retaining ownership of and/or control over or interest in any finance company, or [fol. 58] from dealing with such finance company and with the dealers in the manner provided in this decree or in any order of modification or suspension thereof entered pursuant to paragraph 12a. The Court, upon application of the respondents or any of them, will enter an order or decree to that effect at the foot of this decree, and the right of any respondent herein to make the application and to obtain such order or decree is expressly conceded and granted. The modification of this decree shall not preclude the plaintiff from seeking a further extension of the time within which the aforesaid decree may be entered.

(S.) James R. Fleming, United States Attorney for the Northern District of Indiana.

Dated —— —, ——.

AFFIDAVIT IN SUPPORT OF MOTION FOR MODIFICATION OF FINAL DECREE

I, Edmond J. Ford, being duly sworn, do hereby make oath and depose as follows:

I have read the attached Motion for Modification of Final Decree in the above entitled case and am familiar with the facts therein set forth and the circumstances under which the aforesaid motion is filed. I hereby make oath that the statements therein set forth are true. The sources of my information are original documents and facts learned in my handling of the matters referred to in the aforesaid motion

as Special Assistant to the Attorney General of the United States.

(S.) Edmond J. Ford, Special Assistant to the Attorney General.

UNITED STATES OF AMERICA,
District of Columbia, ss:

December 11, 1940.

Personally appeared before me, Edmond J. Ford, to me known, and signed the aforegoing affidavit in my presence, and being duly sworn did make oath to the truth of the statement aforesaid signed by him.

Dorothy Heale, Notary Public. (Seal.)

My Commission expires Oct. 2, 1944.

[fol. 59] IN UNITED STATES DISTRICT COURT

[Title omitted]

ANSWER OF CHRYSLER CORPORATION, DESOTO MOTORS CORPORATION, PLYMOUTH MOTOR CORPORATION, DODGE BROTHERS CORPORATION, AND CHRYSLER SALES CORPORATION, TO MOTION FOR MODIFICATION OF FINAL DECREE—Filed December 21, 1940

The defendants, Chrysler Corporation, DeSoto Motors Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation, by S. J. Cruimpacker and Larkin, Rathbone & Perry, their attorneys, answer the Motion for Modification of Final Decree as follows:

(1) Defendants deny that plaintiff "has expeditiously taken and pursued all courses necessary and proper" for procuring an order and decree against General Motors Corporation requiring it to divest itself of all ownership and control of General Motors Acceptance Corporation and of interest therein, or that "the United States has proceeded with diligence in the instituting and prosecuting of the * * * civil case" against General Motors Corporation or "will continue so to proceed," or that "the issues which would be involved in a case resulting in such final order or

decree have been to a great extent, and are, involved in Criminal Case No. 1039 in this Court," or that "said criminal action unexpectedly developed many preliminary hearings and interlocutory matters," or that there were "innumerable pleas, motions, and hearings" in said criminal proceedings or any unusually large number of such pleas, motions, or hearings, or that the issues will be disposed of in whole or in part by the said criminal proceedings, as alleged in said motion. On the contrary, said motion shows upon its face that plaintiff has not expeditiously taken or pursued all necessary and proper steps since, among other things, civil proceedings against General Motors Corporation were not even instituted until October 4, 1940, nearly two years after the consent decree of November 15, 1938, (thus allowing itself less than three months to complete an important and contested case), had been entered and since plaintiff has chosen to rely upon criminal proceedings which are not even alleged to be determinative of all the issues. These defendants alleged that [fol. 60] plaintiff has been dilatory in prosecuting to a conclusion either the said criminal or civil proceedings.

(2) Defendants deny that "at the time when the decree in this case was entered the length of time which would be required to procure said order and decree against General Motors Corporation was by mistake of the parties underestimated," or "that it was then believed by the parties * * * that the case pertaining to General Motors Corporation could be more promptly disposed of than subsequent conditions have indicated," or "that the aforesaid final order or decree could be procured on or before January 1, 1941," or "that the parties hereto, at the time of the entering of the consent decree, anticipated that (the) criminal case would be disposed of without extensive and lengthy litigation," or "that by its results the issues in said civil suit would be substantially effected and settled" or "simplified and shortened," or "that said criminal action unexpectedly developed many preliminary hearings and interlocutory matters," as alleged in said motion. On the contrary, said motion shows upon its face, and upon the face of the decree, that no condition of mistake, surprise, inadvertence, or excusable neglect is sought to be corrected. These defendants allege that the parties discussed at length the period within which the plaintiff should procure an

order or decree, that the possibilities of delay were canvassed in detail and that both parties gave their consent to the consent decree with full knowledge and without error. Edmond J. Ford, upon whose affidavit the plaintiff's motion is made, was not present at the conferences or negotiations at which the parties determined the form of the consent decree entered herein.

(3) Defendants allege that said motion is not timely. On the contrary, it is clear upon the face of the motion that plaintiff, long aware of the facts, such as they are, which it asserts, has made its motion more than six months after the entry of the decree and at the last practicable moment before the expiration date of the provision of the decree sought to be extended.

(4) Upon the face of the motion, and upon the records of this Court in this cause, defendants allege that the intent of the parties and the language of the decree are clear and in accord, without inadvertence and of no uncertain intendment; that the requisites of mistake, inadvertence, surprise, [fol. 61] or excusable neglect are not alleged and, on the contrary, are negatived on the face of the record; and that diligence on the part of plaintiff is not only not material but is conclusively negatived on the face of the record.

Wherefore, defendants pray:

(1) That said motion be dismissed forthwith; or

(2) That, if said motion be not dismissed, plaintiff be required to plead or elect with particularity (a) whether it relies upon mistake, surprise, inadvertence, or excusable neglect (if so, setting forth with certainty the facts upon which such claim is made) or (b) whether it relies upon changed basic conditions of fact or law (if so, setting forth with particularity such changed conditions); and that defendants, thereafter, be given sufficient notice and opportunity to prepare its response and defense; or

(3) That, if said motion be not dismissed and if plaintiff is not required to plead further, the motion now filed herein be set down for hearing for the taking of proof on the merits, upon such terms and conditions as will assure defendants due notice of the issues and adequate opportunity to prepare its response or defense thereto.

This motion is made upon all the records of this Court in this cause.

There is filed herewith a brief memorandum of points and authorities in support hereof.

Dated: December 21, 1940.

Parker, Crabill, Crumpacker, May, Carlisle & Beamer, (Sgd.) G. J. Crumpacker, Office & Post-Office Address: J. M. S. Building, South Bend, Indiana. (Sgd.) Larkin, Rathbone & Perry; (Sgd.) Nicholas Kelley, Office & Post-Office Address: 70 Broadway, New York, N. Y., Attorneys for Defendants Chrysler Corporation, DeSoto Motors Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation and Chrysler Sales Corporation.

AFFIDAVIT OF WILLIAM STANLEY

STATE OF INDIANA,
St. Joseph County, ss:

William Stanley, being duly sworn, says: That he is an attorney and was at the time of the negotiations and entry [fols. 62-116] herein of the Final Decree one of the attorneys for the above-named defendants, Chrysler Corporation, DeSoto Motors Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation and Chrysler Sales Corporation; that he was present at substantially all of the conferences and negotiations at which the parties agreed upon the form of the Final Decree entered herein on the consent of the parties; that he has read and knows the contents of the foregoing answer to the Complainant's Motion for Modification of Final Decree therein; that said answer is true of his own knowledge.

(Signed) William Stanley.

Sworn to before me this 21st day of December, 1940.
(Signed) Meelia M. Neis, Notary Public. (Seal.)
N. Y. Com. expires Sept. 30, 1944.

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* * * * * * *

[fol. 117] Mr. Kelley: I don't know what to say, your Honor, but we just thoroughly object to it.

The Court: Well, I am simply extending the time for one year from January 1st, 1941 to January 1st, 1942. That's all I am doing.

Mr. Kelley: Well, we think that is a very material change.

The Court: I know you do, but I am asking you now if this order meets with your approval—if you have any objection to the provisions of the order except the fundamental objection that you have to entering any order of that kind?

Mr. Ford: Objection to the form.

The Court: Yes, the form of it.

Mr. Crumpacker: The form is the same as the other one except the change of date.

Mr. Ford: Yes.

Mr. Crumpacker: No.

The Court: All right then, I will sign it.

Reporter's Certificate to foregoing transcript omitted in printing.

In United States District Court for the Northern District of Indiana, South Bend Division

Civil No. 9

United States of America, Complainant,

v.

Chrysler Corporation, et al., Defendants

Final Decree—In Modification—December 21, 1940

This matter came on to be heard by the Court on a motion of the United States for modification of the final decree, and the Court having heard argument of counsel and having considered the matter, and it having appeared to the Court that the allowance of such motion is just and equitable.

Now, Therefore, It Is Ordered, Adjudicated And Decreed that the aforesaid final decree shall be and is hereby modi- [fols. 118-137] fied so that the second paragraph of section 12 thereof shall read as follows:

It is an express condition of this decree that notwithstanding the provisions of the preceding paragraph of this

paragraph 12 and of any other provisions of this decree, if an effective final order or decree not subject to further review shall not have been entered on or before January 1, 1942, requiring General Motors Corporation permanently to divest itself of all ownership and control of General Motors Acceptance Corporation and of all interest therein, then and in that event, nothing in this decree shall preclude the Manufacturer from acquiring and retaining ownership of and/or control over or interest in any finance company, or from dealing with such finance company and with the dealers in the manner provided in this decree or in any order of modification or suspension thereof entered pursuant to paragraph 12a. The Court, upon application of the respondents or any of them, will enter an order or decree to that effect at the foot of this decree, and the right of any respondent herein to make the application and to obtain such order or decree is expressly conceded and granted.

And It Is Further Ordered, Adjudicated And Decreed that except as thus modified the decree as previously entered shall stand in full force and effect.

By the Court:

Dated: December 21, 1940.

Thos. W. Slick, Judge.

[fols. 138-140] In United States District Court

[Title omitted]

Notice of Motion and Hearing—Filed December 17, 1941

To: William Stanley, Esq., % Cummings and Stanley, 1626 K Street, N. W., Washington, D. C., Attorney for Chrysler Corporation and Duane R. Dills, Esq., 100 East 42nd Street, New York, N. Y., Attorney for Commercial Credit Company and Nicholas Kelley, % Larkin, Rathbone & Perry, 70 Broadway, New York, Attorney for Chrysler Corporation.

Please take notice that the undersigned will present its motion for modification of Final Decree and Final Decree as Modified, heretofore entered in the above entitled action, copy of which motion is attached hereto, for hearing before Honorable Thomas W. Slick, Judge of the United States

District Court for the Northern District of Indiana in the United States District Court at Hammond, Indiana on the 22nd day of December, 1941 at 2:00 o'clock in the afternoon of that date or as soon thereafter as counsel can be heard, pursuant to a setting of said motion for hearing by order of this court, a certified copy thereof being attached to this notice.

United States of America, by Alexander M. Campbell, United States Attorney.

[fols. 141-144] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER FOR HEARING—December 17, 1941

The plaintiff, United States of America, in the above entitled cause having filed its motion for modification of final decree and final decree as modified herein and having applied for a hearing on said motion for December 22, 1941,

The Court now, pursuant to the provisions of Section 6(d) of the Rules of Civil Procedure, for the causes shown in said application sets said hearing of said motion for modification of final decree for Monday, December 22, 1941 at two 2 P. M. in the United States District Court Room located at Hammond, Indiana, and further

Orders that notice of said hearing be immediately mailed by the plaintiff to counsel for the defendant.

Thos. W. Slick, Judge of the U. S. District Court, Northern District of Indiana.

[fol. 145] IN UNITED STATES DISTRICT COURT

[Title omitted]

MOTION FOR MODIFICATION OF THE FINAL DECREE AND OF THE FINAL DECREE AS MODIFIED—Filed December 22, 1941

The United States of America, plaintiff in the above entitled action, by Alexander M. Campbell, United States Attorney for the Northern District of Indiana, and Edmond J. Ford, Special Assistant to the Attorney General of the

United States, both acting under the direction of the Attorney General, represent and move as follows:

On November 15, 1938, a final decree was entered by consent in this case. The first paragraph of paragraph 12 of this decree enjoined the respondent manufacturer from making loans to, and, subject to certain limitations, from purchasing the securities of, the respondent finance company or any other finance company. The second paragraph of paragraph 12 provided that if an effective final order or decree should not have been entered by January 1, 1941, requiring General Motors Corporation to divest itself of all ownership and control of General Motors Acceptance Corporation, then nothing in the decree should preclude the manufacturer from acquiring and retaining ownership of, control over, or an interest in, any finance company.

On December 21, 1940, this Court, after a hearing, entered an order modifying the second paragraph of paragraph 12 by changing the date therein set forth with respect to entry of an effective final order or decree against General Motors Corporation, from January 1, 1941, to January 1, 1942.

[fol. 146] The consent decree contains numerous provisions the effect of which is that, while the various prohibitions of the decree are to be presently effective, their ultimately binding effect is to be dependent upon the outcome of certain proceedings by the plaintiff under the antitrust laws against General Motors Corporation and its subsidiary finance company, General Motors Acceptance Corporation. The consent decree was entered without submitting the issues raised by the proceeding against respondents to the test of litigation. The decree provides, in substance, that the plaintiff's litigation against General Motors Corporation shall be substituted for such test and that the prohibitions of the decree shall later be adjusted to accord with the adjudications made and the results achieved in the proceedings against General Motors Corporation.

The primary purpose of the provisions of the decree relating to affiliation was to have the right of the plaintiff to prohibit affiliation between an automobile manufacturer and a finance company, under the circumstances set forth in the complaint upon which the consent decree is based, determined by the outcome of proceedings by the plaintiff to terminate the existing affiliation between General Motors Corporation and General Motors Acceptance Corporation. A subsidiary purpose was to protect respondents against

undue delay by the plaintiff in prosecuting such proceedings by providing a specified date for bringing them to a conclusion. Circumstances arising since entry of the decree, not attributable to undue delay or laches by the plaintiff, have prevented bringing these proceedings to a conclusion by the date specified in paragraph 12, or by the date specified in paragraph 12 as modified by order of this Court. The essential purposes of the decree would be defeated if, under these circumstances, the prohibition against affiliation were allowed to lapse prior to final determination of the plaintiff's proceeding to end the affiliation between General Motors Corporation and General Motors Acceptance Corporation.

[fol. 147] The plaintiff represents that it has proceeded with due diligence to procure a decree requiring General Motors Corporation to divest itself of ownership and control of General Motors Acceptance Corporation; that the entry of such a decree is dependent upon proving certain involved facts and establishing numerous disputed principles of law; that the issues involved in a proceeding to obtain such a decree have been to a great extent involved in a criminal proceeding instituted in this Court by an indictment returned on May 27, 1938, to wit, *United States of America* v. *General Motors Corporation*, Criminal Case No. 4039; that the issues in such civil proceeding would be substantially affected and settled by the final disposition of said criminal proceeding; that after numerous preliminary pleas, motions and hearings and a long jury trial verdicts of guilty were returned against General Motors Corporations and General Motors Acceptance Corporation and judgments of conviction were entered against them on November 17, 1939; that after an appeal by the convicted defendants to the Circuit Court of Appeals for the Seventh Circuit that court on May 1, 1941, affirmed the convictions and subsequently denied a petition for rehearing; that the defendants thereupon filed a petition for a writ of certiorari in the Supreme Court of the United States; that the Supreme Court denied said petition on October 13, 1941, and denied a petition for rehearing on November 10, 1941.

The plaintiff on October 4, 1940, filed a proceeding (Civil Action No. 2177) in the District Court of the United States for the Northern District of Illinois, Eastern Division, against General Motors Corporation and General Motors Acceptance Corporation to compel General Motors Corpora-

tion to divest itself of all ownership and control of General Motors Acceptance Corporation; that many important is-
[fol. 148] sues in this civil action will be rendered *res adjudicata* by the final determination of the criminal proceeding against the same defendants; that such final determination will simplify and shorten the trial in the civil suit; that to have proceeded with the trial of the civil suit before the criminal action was finally disposed of would have greatly lengthened the time of trial, would have involved great additional and unnecessary expense to all parties, and would have resulted in a needless retrial of many of the same issues of law and fact.

The plaintiff further represents that it has attempted to expedite the trial of the civil case against General Motors now pending in the Northern District of Illinois, Eastern Division, but that the court in that District on July 15, 1941, upon motion of the defendants and over the objection of the Government, granted a continuance to the defendants to run until further order of the court. This motion was granted primarily because the court was of the opinion that final adjudication of the criminal case against General Motors Corporation would greatly simplify trial of the civil proceeding. On December 2, 1941, the Government presented a motion asking the court to set an early date for the filing of all preliminary pleadings and motions and a date for disposing of the same, so that the case would be ready for trial on the issues. The defendants at the same time filed a motion for further delay and the court, after a hearing, continued the case until January 15, 1942, and held in abeyance the Government's motion.

By paragraph 14 of the consent decree in this case, this Court retained jurisdiction of the cause for the purpose of enabling any party to apply to the court at any time for modification of the decree and, aside from this provision, the Court inherently has the right to modify a decree, whether entered by consent or otherwise, as the ends of justice may require.

[fol. 149] The plaintiff avers that it will prosecute with diligence the proceeding against General Motors Corporation now pending in the Northern District of Illinois but that the cause cannot be brought to a final conclusion by January 1, 1942.

The plaintiff therefore moves that the second paragraph of paragraph 12 of the consent decree in this case, as modi-

fied by this Court, be again modified in such manner that the words of said paragraph, to wit, "on or before January 1, 1942", be modified to read "on or before January 1, 1943", with the result that said decree shall be so modified that the second paragraph of paragraph 12 shall read as follows:

It is an express condition of this decree that notwithstanding the provisions of the preceding paragraph of this paragraph 12 and of any other provisions of this decree, if an effective final order or decree not subject to further review shall not have been entered on or before January 1, 1943, requiring General Motors Corporation permanently to divest itself of all ownership and control of General Motors Acceptance Corporation and of all interest therein, then, and in that event, nothing in this decree shall preclude the manufacturer from acquiring and retaining ownership of and/or control over or interest in any finance company, or from dealing with such finance company and with the dealers in the manner provided in this decree or in any order of modification or suspension thereof entered pursuant to paragraph 12a. The Court, upon application of the respondents or any of them, will enter an order or decree to that effect at the foot of this decree, and the right of any respondent herein to make the application and to obtain such order or decree is expressly conceded and granted.

Alexander M. Campbell, United States Attorney for the Northern District of Indiana; Edmond J. Ford, Special Assistant to the Attorney General, Attorneys for the Plaintiff.

[fols. 150-151] IN UNITED STATES DISTRICT COURT

[Title omitted]

AFFIDAVIT IN SUPPORT OF MOTION FOR MODIFICATION OF FINAL DECREE—Filed December 22, 1941

I, Edmond J. Ford, being duly sworn, do hereby make oath and depose as follows:

I have read the attached Motion for Modification of the Final Decree and of the Final Decree as Modified in the

above entitled case and am familiar with the facts therein set forth and the circumstances under which the aforesaid motion is filed. I hereby make oath that the statements therein set forth are true. The sources of my information are original documents of facts learned in my handling of the matters referred to in the aforesaid motion as Special Assistant to the Attorney General of the United States.

(Signed) Edmond J. Ford, Special Assistant to the Attorney General.

UNITED STATES OF AMERICA,
District of Columbia, ss:

Personally appeared before me, Edmond J. Ford, to me known, and signed the aforegoing affidavit in my presence, and being duly sworn did make oath to the truth of the statement aforesaid signed by him.

December 11, 1940.

(Signed) Dorothy J. Heale, Notary Public. My Commission Expires October 2, 1944.

[fol. 152] IN UNITED STATES DISTRICT COURT

[Title omitted]

ANSWER OF CHRYSLER CORPORATION, DESOTO MOTORS CORPORATION, PLYMOUTH MOTOR CORPORATION, DODGE BROTHERS CORPORATION AND CHRYSLER SALES CORPORATION TO MOTION FOR MODIFICATION OF THE FINAL DECREE AND OF THE FINAL DECREE AS MODIFIED—Filed December 22, 1941

The defendants Chrysler Corporation, DeSoto Motors Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation and Chrysler Sales Corporation, by S. J. Crumpacker and Larkin, Rathbone & Perry, their attorneys, answer the Motion for Modification of the Final Decree and of the Final Decree as Modified, as follows:

I

1. The plaintiff fails to state in its motion a claim against these defendants upon which the relief it seeks can be granted.

II

2. This Court is without jurisdiction to grant the plaintiff's Motion for Modification of the Final Decree and of the Final Decree as Modified. Upon perfection of the ap-[fol. 153] peal from the Decree of this Court, as modified by its Order of December 21, 1940, all jurisdiction of this cause was transferred to the Supreme Court of the United States. Until mandate issues from the Supreme Court of the United States, the appeal is there pending and this Court is without power to modify the decree which is before the Supreme Court.

III

3. Defendants admit that on November 15, 1938, this Court entered a Final Decree upon the consent of the parties, without any testimony having been taken and without any findings of fact, but they deny that the contents or purpose or effect of the Final Decree are as stated in the motion, and they respectfully beg leave to refer to the original Final Decree for the exact contents and purpose and effect thereof.

4. Defendants admit that on December 21, 1940, this Court entered an Order entitled Order of Modification of Final Decree, purporting to change the date appearing in the second paragraph of Section 12 of said Final Decree from "January 1, 1941" to "January 1, 1942", and they respectfully beg leave to refer to the original Order for the exact contents thereof. Defendants allege that they appealed from that Order to the United States Supreme Court, that on December 8, 1941, that Court entered the following Order:

"*Per curiam:* The Court orders that the appeals in these cases be dismissed for want of a quorum of Justices qualified to sit in them. The Chief Justice, Mr. Justice Roberts, Mr. Justice Murphy, and Mr. Justice Jackson are unable to take part in the consideration or decision of these cases on the merits."

and that Defendants will duly apply for a rehearing of that appeal.

[fol. 154] 5. Defendants deny that circumstances arising since entry of the Final Decree, not attributable to undue delay or laches by the plaintiff, have prevented the plain-

tiff's bringing proceedings against General Motors Corporation to a conclusion by the date specified in Section 12 of the Final Decree or by the date specified in Section 12 of the Final Decree as Modified; deny that the essential purpose, or any purpose, of the Final Decree would be defeated if the prohibitions against affiliation were allowed to lapse prior to final determination of the plaintiff's proceeding to end the affiliation between General Motors Corporation and General Motors Acceptance Corporation, and deny that plaintiff has proceeded with due diligence to procure a decree requiring General Motors Corporation to divest itself of ownership of or control over General Motors Acceptance Corporation. Defendants allege that said civil suit is not at issue, and that General Motors Corporation and General Motors Acceptance Corporation have until January 15, 1942, to file their answer or to make any motion with respect to the complaint, and that the plaintiff not only has failed and neglected to expedite trial of the civil suit, but has failed and neglected to proceed in that suit so as to dispose of practice motions and other preliminary matters and to frame the issues for trial.

6. Defendants deny that the issues involved in a proceeding to obtain a civil decree against General Motors Corporation have been to a great extent involved in Criminal Case No. 1039, or that the issues in the civil proceeding will be substantially affected and settled by final disposition of said criminal proceeding. On the contrary, defendants allege that the issues involved in the plaintiff's civil suit [fol. 155] against General Motors Corporation, in so far as they concern the effectiveness of the second paragraph of Section 12 of the Final Decree, were not involved or settled in plaintiff's criminal case against General Motors Corporation except to the extent that the Court by its charge to the jury in that case ruled against the plaintiff on the issue of the propriety of General Motors Corporation having a finance company. In said case, Criminal Case No. 1039, the Court charged the jury on November 15, 1939, being more than a year prior to January 1, 1941, as follows:

"It is not unreasonable for the General Motors Company to have a finance company. * * * They have a perfect right to have a finance company and to recommend its use. * * *"

7. Defendants deny that for the plaintiff to have proceeded with the trial of the civil suit against General Motors Corporation before the criminal action was finally disposed of would have been undesirable and they allege that the plaintiff, itself, represented to the District Court for the Northern District of Illinois, Eastern Division, in opposing continuances of the civil suit long before the criminal case was finally disposed of that it was desirable to proceed with both cases simultaneously. Defendants further allege that the plaintiff, by representing to this Court, in its Motion for Modification of Final Decree in this case in December, 1940, that trial of the civil suit against General Motors Corporation would be facilitated by trial first of the Criminal Case No. 1039, enabled General Motors Corporation to obtain continuances of the civil suit although plaintiff in that suit took with the Court in Illinois a position opposite to what it took with this Court in December, 1940, and opposite to what it takes with this Court now.

[fol. 156] 8. Defendants allege that before the parties consented to the Final Decree of November 15, 1938, they discussed at length the period during which defendants should be restrained from having an interest in a finance company while General Motors Corporation was not similarly restrained; that the possibilities of delay were canvassed in detail; that both parties gave their consent to the Final Decree with full knowledge, and that consent was not given or obtainable except on the basis of said date. Edmund J. Ford, upon whose affidavit the plaintiff's motion is made, was not present at the conferences or negotiations at which the parties determined the form of the Final Decree.

9. Defendants beg leave to refer to all of the records of the Court in this case, with the same force and effect as though the same were set forth at length herein.

Wherefore, these answering defendants respectfully pray:

(1) That said motion be dismissed forthwith; or

(2) That, if said motion be not dismissed, plaintiff be required to plead with particularity any changed basic conditions of fact or law upon which it relies; and that defendants, thereafter, be given sufficient notice and opportunity to prepare their response and defense; or

(3). That, if said motion be not dismissed and if plaintiff is not required to plead further, the motion now filed herein be set down for hearing for the taking of proof on the merits, upon such terms and conditions as will assure defendants due notice of the issues and adequate opportunity to prepare its response or defense thereto.

[fol. 157] There is filed herewith a brief memorandum of points and authorities in support hereof.

Dated: December 22, 1941.

Parker, Crabill, Crumpacker, May, Carlisle & Beamer, S. J. Crumpacker, Larkin, Rathbone & Perry, Nicholas Kelly, 70 Broadway, New York, N. Y., Attorneys for Defendants Chrysler Corporation, DeSoto Motors Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation and Chrysler Sales Corporation.

[fol. 158] STATE OF INDIANA,
St. Joseph County, ss:

WILLIAM STANLEY, being duly sworn, says: That he is an attorney and was at the time of the negotiations and entry herein of the Final Decree one of the attorneys for the above-named defendants, Chrysler Corporation, DeSoto Motors Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation and Chrysler Sales Corporation; that he was present at substantially all of the conferences and negotiations at which the parties agreed upon the form of the Final Decree entered herein on the consent of the parties; that he has read and knows the contents of the foregoing Answer to the Complaint's Motion for Modification of Final Decree and of the Final Decree as Modified therein; that said Answer is true of his own knowledge.

William Stanley.

Sworn to before me this 22nd day of December, 1941.
Margaret Long, Notary Public.

IN UNITED STATES DISTRICT COURT

Statement of Evidence

And now on said 22nd day of December, 1941, the following proceedings were had herein, to-wit:

This cause coming on to be heard on this date, and appearance on behalf of the plaintiff being as follows, to-wit: Mr. Thurman Arnold, Special Assistant to the Attorney General, A. Holmes Baldridge, Special Assistant to the Attorney General, and Luther M. Swygert, Assistant United States Attorney, and for the defendant Chrysler Corporation, to-wit: Larkin, Rathbone & Perry, Nicholas Kelley, of counsel, William Stanley, and Parker, Crabill, Crumpacker, May, Carlisle & Beamer, S. J. Crumpacker of counsel, and the following evidence is introduced, to-wit:

[fol. 159] OFFERS IN EVIDENCE

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION.

Civil No. 2177

Equitable Relief Sought

UNITED STATES OF AMERICA, Complainant,

v.

GENERAL MOTORS CORPORATION AND GENERAL MOTORS ACCEPTANCE CORPORATION, Respondents

COMPLAINT

To The Honorable, The Judge of the District Court of the United States for the Northern District of Illinois, Eastern Division:

The United States of America, by William J. Campbell, United States Attorney for the Northern District of Illinois, Eastern Division, acting under the direction of the Attorney General of the United States, brings this action in equity against General Motors Corporation, a corporation, organized and duly authorized to do business under the laws of the state of Delaware, and General Motors Acceptance Corporation, a corporation, organized and duly authorized to do business under the laws of the State of New York; and complains and alleges upon information and belief as follows:

Description of Defendants

1. That defendant, General Motors Corporations, is engaged in the manufacture and sale of Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles, and of parts and accessories for these six makes of automobiles, throughout the United States; that said defendant manufactures and sells approximately 40% of all the new automobiles and trucks manufactured and sold in the United [fol. 160] States; that General Motors Corporation is not only a manufacturing corporation but also a holding company, owning and controlling 100% of the capital stock of General Motors Sales Corporation, a corporation organized and duly authorized to do business under the laws of the state of Delaware, and engaged in the sale of General Motors cars to dealers located in all the states of the United States including the District of Columbia; that it owns 100% of the stock of defendant General Motors Acceptance Corporation; that certain directors of General Motors Corporation are also directors of General Motors Acceptance Corporation;

2. That defendant, General Motors Acceptance Corporation, is 100% owned and wholly controlled by defendant, General Motors Corporation; that defendant, General Motors Acceptance Corporation is engaged in the business of financing at both wholesale and retail the sales to General Motors dealers and to retail purchasers, of Chevrolet, Pontiac, Oldsmobile, Buick, LaSale and Cadillac automobiles manufactured by defendant, General Motors Corporation;

Method of Selling General Motors Automobiles

3. That defendant, General Motors Corporation, sells its cars to approximately 15,000 General Motors dealers located in all the states of the United States and the District of Columbia, through the General Motors Sales Corporation, the selling agency of General Motors Corporation for Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles; that these 15,000 General Motors dealers enter into contracts with General Motors Sales Corporation; that these contracts run for a period of one year and are cancellable by General Motors Sales Corporation on short notice and without cause; that these contracts state specifically that under no circumstances is the dealer to be con-

sidered either the agent or legal representative of General Motors Sales Corporation;

[fol. 161] 4. That the General Motors Sales Corporation was organized on December 1, 1936; that prior to the organization of General Motors Sales Corporation, the sales of Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac cars were made to General Motors dealers located throughout the United States through five separate sales agencies, one for Chevrolet, one for Pontiac, one for Oldsmobile, one for Buick and one for LaSalle and Cadillac cars;

5. That because of the high unit prices for Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac cars demanded by defendant, General Motors Corporation, and General Motors Sales Corporation, and because said corporations have required payment to be made in cash before transportation, shipment and delivery of General Motors cars to General Motors dealers, and because it has been necessary for the great majority of dealers to procure a stock of General Motors cars varying in color, body style, and otherwise far beyond their financial ability to pay for on a cash basis as required by said corporations, a large supply of money has been regularly and continuously necessary and has been regularly and continuously furnished and used to pay said corporations for Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac cars transported, shipped and delivered to General Motors dealers in pursuance of the contracts mentioned in paragraph three above;

6. That many companies, including defendant, General Motors Acceptance Corporation, called automobile finance companies, have been organized and have engaged in the business of furnishing money to General Motors dealers, for the purchase of General Motors cars and of used cars of any and all makes taken in trade;

7. That because of the high unit prices for Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac auto-
[fol. 162] mobiles demanded in retail transactions, and because defendant, General Motors Corporation, and General Motors Sales Corporation have required payment to be made on a cash basis before transportation, shipment and delivery of said cars, and because it has been necessary for all or almost all of the dealers to procure the full purchase

price of the automobile sold at the time of each retail transaction, and because the great majority of retail purchasers of automobiles have not had the financial ability to pay for the cars on a cash basis and have desired to purchase and have purchased said cars on time, a large supply of money has been regularly and continuously necessary and has been regularly and continuously furnished and used to pay the dealers for the automobiles purchased at retail;

8. That defendant, General Motors Acceptance Corporation, and numerous other corporations known as independent automobile finance companies doing business in all the states of the United States and the District of Columbia have regularly and continuously furnished money both to General Motors dealers for the wholesale purchase of General Motors cars and to retail purchasers of General Motors cars;

9. That in most instances in the sale of new cars at retail, a used car is traded in by the purchaser as a part of the purchase price of the new car and General Motors dealers have sold these used cars to retail purchasers; that used cars are taken in trade on the sale of these used cars so that for every new car sold by a General Motors dealer approximately 2½ used cars are also sold by him; that until these 2½ used cars are sold, the dealer is unable to determine whether he has made a profit on the new car; that a large proportion of these used cars have been and are sold on time to retail purchasers, and large sums of money are regularly and continuously necessary to finance such transactions; that such sums of money have been furnished by defendant, General Motors Acceptance Corporation, and by numerous corporations known as independent automobile finance companies doing business in [fol. 163] all the states of the United States and in the District of Columbia;

10. That as a part of the arrangement under which General Motors dealers purchase General Motors cars through General Motors Sales Corporation, defendant, General Motors Corporation, requires each dealer to give a blanket power of attorney; that this power of attorney is filled in by a person designated by the factory when General Motors cars are shipped to the dealer;

11. That title to all General Motors cars sold to General Motors dealers passes from defendant, General Motors Corporation, directly to defendant, General Motors Acceptance Corporation; that cars are shipped to dealers either on a trust receipt made out in favor of defendant, General Motors Acceptance Corporation, or on sight draft attached to the bill of lading made payable to defendant, General Motors Acceptance Corporation;

12. That under this arrangement it is impossible for a dealer purchasing new General Motors cars at wholesale on a time sales basis to finance said cars directly at the factory through any company other than defendant, General Motors Acceptance Corporation; that in the event a dealer wishes to finance at wholesale through an independent finance company, it is necessary that the independent finance company which desires title as security to secure title of the car from defendant, General Motors Acceptance Corporation; that independent finance companies which advance money to dealers for the purchase of cars from the factory, have no security for such advances during the time in which the car is in transit from the factory to the dealers' places of business;

13. That dealers who finance their cars at wholesale through defendant, General Motors Acceptance Corporation, receive possession and custody, but not title and ownership; that title and ownership do not pass to the dealer until defendant, General Motors Acceptance Corporation, [fol. 164] has been paid the full contract price of the car plus insurance and other charges;

14. That a retail purchaser of a General Motors car on a time sales basis signs a conditional sales contract with the dealer, that the dealer sells this conditional sales contract either to defendant, General Motors Acceptance Corporation, or to an independent finance company; that in the event it is sold to defendant, General Motors Acceptance Corporation, it is sold on condition that the dealer repurchase the contract from defendant, General Motors Acceptance Corporation, in the event the car is repossessed from the retail purchaser for non-payment of the installment contract; that the dealer is directly responsible for losses occasioned by repossession; that dealers selling retail time sales paper to independent finance companies sell the

same without recourse, so that the independent finance company and not the dealer bears the risk of default in case of repossession of the car;

15. That defendant, General Motors Corporation, through the General Motors Sales Corporation, requires its dealers to put into operation a bookkeeping system which indicates, among other things, the number of new and used cars sold each month, the number sold on a time sales basis, and the number of contracts sold to defendant, General Motors Acceptance Corporation, and to other discount companies; that defendant, General Motors Corporation, through representatives of General Motors Sales Corporation, requires 10-day and 30-day reports from dealers indicating these matters as well as the general financial condition of the dealer; that defendant, General Motors Corporation, through representatives of the General Motors Sales Corporation, regularly inspects the books and records of General Motors dealers; that information so obtained is made available to defendants, General Motors Corporation and General Motors Acceptance Corporation;

[fol. 165] *Jurisdiction and Venue*

16. That this complaint is filed and the jurisdiction of this court is invoked to obtain equitable relief against defendants, General Motors Corporation and General Motors Acceptance Corporation, because of their violations, jointly and severally, as hereinafter alleged, of Section 1 of the Sherman Act and Sections 2 and 7 of the Clayton Act;

17. That the unlawful combination and conspiracy, hereinafter described, to restrain trade and commerce among the several states of the United States, have been carried on in part within the Northern District of Illinois, Eastern Division, and many of the unlawful acts pursuant thereto have been performed by defendants and their representatives in said district; that the interstate trade and commerce in Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles, as hereinafter described, is carried on, in part, within said district; that both said defendants have usual places of business in the said district and there transact business and are within the jurisdiction of the court for the purpose of service;

Interstate Commerce

18. That General Motors automobiles manufactured by defendant, General Motors Corporation, have been and are manufactured at plants located in the states of Michigan, Wisconsin, Missouri, Georgia, New York, New Jersey and California; that these cars are shipped to General Motors dealers located in all of the 48 states and within the District of Columbia, pursuant to the selling contracts between such dealers and General Motors Sales Corporation described in paragraph 3 above; that title to the cars passes from defendant, General Motors Corporation, to defendant, General Motors Acceptance Corporation at the factory; that title remains in defendant, General Motors Acceptance corporation, until the dealer has received the car and paid the purchase price in full whether in a cash or a time transaction; that defendant, General Motors Corporation, the manufacturer, General Motors Sales [fol. 166] Corporation, the selling agent, defendant, General Motors Acceptance Corporation, and the General Motors dealers are all engaged in interstate commerce;

19. That approximately 65% of all new General Motors automobiles sold to General Motors dealers at wholesale, and approximately 75% of all new General Motors automobiles sold at retail, are sold on a time sales basis; that any undue interference with the financing of General Motors automobiles either at wholesale or at retail would substantially impede the free flow of General Motors automobiles in interstate commerce;

Offenses Charged

20. That defendants, each well knowing all the matters and things hereinbefore alleged, for many years past have violated and are now violating the provisions of Section 1 of the Act of Congress of July 2, 1890, entitled "An Act To Protect Trade and Commerce Against Unlawful Restraints and Monopolies," 26 Stat. 209, 15 U. S. C. A. 1, commonly known as the Sherman Antitrust Act, by conspiring to restrain the trade and commerce among the several states in Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles, and have conspired to do all acts and things and to use all means necessary and appropriate to make said restraint effective, including the

means, acts and things hereinafter more particularly alleged; and have conspired together to violate Sections 2(a)(b)(c)(d)(e)(f), 3 and 7 of the Act of Congress of October 15, 1914, 38 Stat. 730, 15 U. S. C. A. 13 (a)(c)(d)(e)(f), 14-18, commonly known as the Clayton Act, by paying or granting rebates to General Motors dealers in return for their use of the financing facilities of defendant, General Motors Acceptance Corporation, and inducing the use of the same; and defendant, General Motors Corporation, with the participation of the other defendant has acquired the whole and a part of the stock and other share capital of defendant, General Motors Acceptance Corporation, while said corporations were engaged in interstate [fol. 167] commerce; and while defendant, General Motors Corporation, held said stock and other share capital and a part thereof it acquired the stock and other share capital and a part thereof of another corporation also engaged in said interstate commerce under conditions forbidden by and in violation of Section 7 of the Clayton Act aforesaid;

21. That one of the purposes of the conspiracy was to procure, monopolize and keep within the control of the defendants to the greatest extent possible, and to the exclusion of all other persons and corporations, the business of financing at wholesale and retail the trade and commerce in Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles, and in used cars of any and all makes sold and handled by General Motors dealers; that as a part of said conspiracy, the defendants have arranged and agreed among themselves to do and have done the following things:

(a) To require dealers to promise and agree to deal with defendant, General Motors Acceptance Corporation, for financing the purchases and sales of automobiles, as a condition to entering into contracts for the sale, transportation and delivery of automobiles to dealers;

(b) To require dealers to promise and agree not to deal with any automobile finance company other than defendant, General Motors Acceptance Corporation, for financing the purchases and sales of General Motors automobiles, as a condition to entering into contracts for the sale, transportation and delivery of General Motors automobiles to dealers;

(c) To make all contracts for General Motors automobiles with General Motors dealers for a term of one year only, and to reserve therein the right to cancel and terminate the same, without cause and upon short notice, in order to exercise said right in cases where dealers shall fail and refuse to have purchases and sales of General Motors auto-
[fol. 168] mobiles financed by defendant, General Motors Acceptance Corporation, and in cases where dealers shall have purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(d) To threaten, suggest and intimate to General Motors dealers that contracts for General Motors automobiles with them may and will be cancelled and terminated in cases where the dealers fail and refuse to have purchases and sales of automobiles financed by defendant, General Motors Acceptance Corporation, and in cases where dealers have had purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(e) To cancel and terminate contracts for automobiles with dealers in cases where the dealers fail and refuse to have purchases and sales of automobiles financed by defendant, General Motors Acceptance Corporation, and in cases where dealers have had purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(f) To refuse and fail to furnish, transport and deliver automobiles to dealers who have refused and failed to have purchases and sales of automobiles financed by defendant, General Motors Acceptance Corporation;

(g) To refuse and fail to furnish, transport and deliver automobiles to General Motors dealers who have had purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(h) To examine and inspect the books, records and accounts of General Motors dealers for the purpose of procur-
[fol. 169] ing information relative to the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(i) To coerce and compel General Motors dealers to permit the defendants and their agents to examine and inspect the books, records, and accounts of said dealers for the purpose of procuring information relative to the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(j) To coerce and compel General Motors dealers to disclose, furnish, and report information relative to the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(k) To procure information from the servants and employees of General Motors dealers, relative to the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation, secretly, covertly, and without the knowledge of the dealers, and sometimes by means of bribery and otherwise;

(l) To require and demand of General Motors dealers that they explain and justify the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(m) To coerce and compel General Motors dealers to refrain from having the purchases and sales of automobiles financed by automobile finance companies other than de- [fol. 170] fendant, General Motors Acceptance Corporation, by any and all other means which may be deemed by the defendants to be necessary, appropriate, and effective to that end;

(n) To give, furnish, accord, and make available to General Motors dealers having purchases and sales of automobiles financed by defendant, General Motors Acceptance Corporation, services, facilities, privileges, favors, conveniences, and other preferential treatment, in and in connection with financing the purchase and sale, transportation, and delivery of automobiles, and to refuse the same to dealers having purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(o) To delay the transportation, shipment, and delivery of automobiles to General Motors dealers having the purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(p) To discriminate against General Motors dealers having purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation, and in favor of dealers having such purchases and sales financed by defendant, General Motors Acceptance Corporation, with regard to the number, model, color, and style of automobiles transported and delivered to them, with regard to the time of transportation and delivery thereof, and with regard to the manner and form, and time and place of payment therefor;

[fol. 171] (q) To give, furnish, accord, and make available to defendant, General Motors Acceptance Corporation, places, offices, and quarters in the plants, factories, offices, and quarters of defendant, General Motors Corporation, General Motors Sales Corporation, and of corporations affiliated with and controlled by them, for engaging in and acquiring the business of financing the purchase, sale, transportation, and delivery of automobiles to dealers, and to refuse the same to any other automobile finance company;

(r) To give, furnish, accord, and make available to defendant, General Motors Acceptance Corporation, information relative to the purchase and sale, and transportation and delivery of automobiles to dealers, including information relative to the description and identification of such automobiles, and to refuse the same to any other automobile finance company;

(s) To give, furnish, accord, and make available to defendant, General Motors Acceptance Corporation, any and all contracts, instruments, and other writings, requested, necessary and appropriate for its security and protection in and in connection with financing the purchase and sale, transportation and delivery of automobiles to dealers, and to refuse the same to any other automobile finance company;

(t) To transfer directly to defendant, General Motors Acceptance Corporation, the title to General Motors auto-

mobiles before the transportation and delivery thereof to General Motors dealers for the protection and security of defendant, General Motors Acceptance Corporation, in and in connection with financing the purchase and sale, and transportation and delivery thereof, and to refuse the same to any other automobile finance company;

[fol. 172] (u) To make and enforce discriminatory, onerous, and unreasonable requirements relative to the manner, form, and time of payment for automobiles, for application to all automobile finance companies except defendant, General Motors Acceptance Corporation, and to General Motors dealers having the purchase and sale of automobiles financed by such companies;

(v) To advertise, endorse, recommend and promote, and to coerce and require General Motors dealers to advertise, recommend and promote, the use of the automobile financing services, plans and facilities of defendant, General Motors Acceptance Corporation;

(w) To coerce and require General Motors dealers not to advertise, recommend and promote, the use of the automobile financing services, plans and facilities of any automobile finance company other than defendant, General Motors Acceptance Corporation;

(x) To establish and fix a price or charge to be collected by defendant, General Motors Acceptance Corporation, from purchasers of Cadillac, LaSalle, Buick, Oldsmobile, Pontiac and Chevrolet automobiles, and of used automobiles of any and all makes handled by General Motors dealers, in all transactions financed by those corporations (said price or charge being known as the GMAC differential), and to pay to the dealer a substantial part thereof, as a rebate, participation and payment for diverting the business of financing such purchases to defendant, General Motors Acceptance Corporation, and away from other automobile finance companies;

(y) To regularly and continuously advertise and represent to purchasers of said automobiles that no such rebates, [fol. 173] participations and payments have been and will be included in, and paid out of, such differential, and to induce, assist and require General Motors dealers to make, and join with and assist the defendants in making such representation;

(z) To regularly and continuously conceal, and induce, assist and require General Motors dealers to conceal, from purchasers of said automobiles, the fact that such rebates, participations and payments have been and will be included in and paid out of the GMAC differential;

That the said defendants were on the 27th day of May, 1938, in the Northern District of Indiana, South Bend Division, duly indicted as co-conspirators in the aforesaid conspiracy, and were duly tried and convicted thereof; and on, to wit, the 17th day of November, 1939, judgment of guilty was duly entered with sentence thereon as by the record appears; and the plaintiff herein sets forth as a part of this complaint a true and certified copy of said judgment and sentence, making the same a part hereof. And the plaintiff alleges further that other deceitful and unlawful practices in and affecting interstate trade and commerce and restraining the same have been perpetrated by said defendants as a part of their association as aforesaid;

Effects of Conspiracy

22. That General Motors dealers have substantial investments of money, credit and property in their businesses of purchasing and selling General Motors cars, and said investments and businesses would be greatly reduced in value or destroyed by defendants in the event the aforesaid intimations, suggestions, threats, cancellations, and statements are not adhered to; that to prevent such destruction, loss and damage of and to their investments and businesses, all or almost all of the dealers, have complied with said intimations, suggestions, threats and statements;

23. That General Motors dealers have been forced by coercion, discrimination and fraud to finance their purchases of General Motors automobiles at wholesale to defendant, General Motors Acceptance Corporation, and to sell their time sales paper on retail transactions to defendant, General Motors Acceptance Corporation, even though each and [fol. 174] every General Motors dealer, by the express terms of his selling agreement with defendant, General Motors Corporation, made through General Motors Sales Corporation, and drawn by defendant, General Motors Corporation, is not under any circumstances considered either the agent or legal representative of the seller;

24. That under the devices of the one year selling contract, blanket power of attorney, transfer of title on all cars direct from defendant, General Motors Corporation, to defendant, General Motors Acceptance Corporation, and the close check on dealers permitted by the installation of the factory bookkeeping system, the defendant, General Motors Corporation, can and does ship cars to dealers at will, with or without order, ship parts and accessories with or without order, or withhold cars, parts and accessories ordered;

25. That as a result of the conspiracy herein alleged, defendant, General Motors Acceptance Corporation, in effect finances at wholesale all the General Motors cars purchased by General Motors dealers on time, and finances at retail approximately 75% of the new General Motors cars and approximately 54% of the used cars of any and all makes sold by General Motors dealers;

26. That the effect of the conspiracy herein alleged and the acts, practices and things done pursuant thereto, has been to burden, obstruct and unduly restrain the interstate trade and commerce in General Motors automobiles;

27. That great size and power have been concentrated in the control of defendant, General Motors Corporation, and this has been used, in association with the other defendant, unreasonably to restrain competition, to force terms and prices, to coerce, intimidate and discriminate and thereby has unreasonably restrained interstate commerce and impeded its flow;

Conclusion

28. That the ownership of an automobile finance company by a company with as powerful a position as that of defendant, General Motors Corporation, controlling as it does over 15,000 dealers who are dependent upon the pleasure of the defendant, General Motors Corporation, for their livelihood and the preservation of their assets and franchises, with the vast majority of automobile sales in interstate commerce dependent upon the use of finance companies, acts as an unreasonable restraint on the use of finance companies other than defendant, General Motors Acceptance Corporation, and consequently upon the auto-

[fol. 175] mobile sales which must be financed; that the ownership of defendant, General Motors Acceptance Corporation, by defendant, General Motors Corporation, in itself tends to give defendant, General Motors Corporation, a monopoly in the financing of General Motors cars and control of the financing charges thereof; that defendant, General Motors Corporation, in addition thereto has required agreements from dealers that they will use exclusively, and to an amount designated, services of defendant, General Motors Acceptance Corporation, for the financing of the purchases and sales of General Motors cars and used cars of any and all makes sold by General Motors dealers; that defendant, General Motors Corporation, has threatened and discriminated against those dealers and has terminated contracts of those dealers who did not use exclusively the credit facilities of defendant, General Motors Acceptance Corporation; that through the medium of the repayment to dealers of the so-called "reserves" collected, and other rebates, bonuses and bribes by defendant, General Motors Acceptance Corporation, defendant, General Motors Corporation, has given secret rebates to dealers who use the credit facilities of defendant, General Motors Acceptance Corporation;

29. That complete ownership and control by defendant, General Motors Corporation, of defendant, General Motors Acceptance Corporation, is subject to abuses which would be impossible under independent ownership;

30. That the power of defendant, General Motors Corporation, flowing from its complete ownership and control of defendant, General Motors Acceptance Corporation, is such that it is subject to abuses which can be corrected only by a severance of that ownership and control; that an injunction is inadequate since, among other things, the mere fact of ownership constitutes a coercive influence on General Motors dealers purchasing and selling General Motors cars in interstate commerce.

[fol. 176] **Prayer**

Wherefore the Complainant Prays:

1. That a summons issue to each of the defendants commanding it to appear herein and to answer the allegations contained in this complaint and to abide by and perform

such orders and decrees as the Court may make in the premises;

2. That upon final hearing of this cause, the Court order, adjudge and decree that the conspiracy and wrongs herein described exist and constitute an unreasonable restraint of trade and commerce among the various states and that as a part thereof and incidental thereto General Motors Corporation wrongfully holds the stock and share capital of General Motors Acceptance Corporation and all parties thereof;

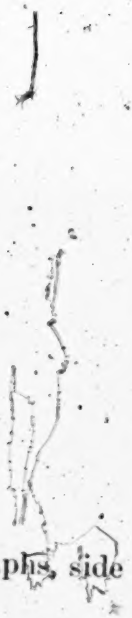
3. That a receiver be appointed upon such adjudication to receive forthwith all stock and share capital of General Motors Acceptance Corporation held and controlled by General Motors Corporation and that General Motors Corporation be thereupon ordered forthwith to transfer the aforesaid stock and share capital to the aforesaid receiver, that the aforesaid receiver upon receiving the aforesaid stock and share capital offer the same for sale and sell the same holding the proceeds subject to the order of this Court;

4. That the complainant recover the costs and disbursements of this suit;

5. That the complainant shall have such other and further relief as the Court shall deem just and proper.

Holmes Baldridge, Edmond J. Ford, Special Assistants to the Attorney General.

[fol. 177] Robert H. Jackson, Attorney General. Thurman Arnold, Assistant Attorney General. William J. Campbell, United States Attorney.



(Here follow 4 photolithographs, side folios 178-181)

D. C. Form No. 81

District Court of the United States

NORTHERN DISTRICT INDIANA - SOUTH BEND DIVISION

United States v. GENERAL MOTORS CORPORATION, et al	No. 1039 Criminal; Indictment in one count for violation of U. S. C., Title 15, Secs. 1

GENERAL MOTORS ACCEPTANCE CORPORATION.

JUDGMENT AND COMMITMENT

On this 17th day of November, 19 39, came the United States Attorney, and the defendant GENERAL MOTORS ACCEPTANCE CORPORATION, appearing in proper person, and by counsel and,

The defendant having been convicted on Finding of guilty by jury of the offense charged in the indictment, in the above-entitled cause, to wit:

GENERAL ANTI-TRUST LAW, Section 1, Title 15, U.S.C.A. -
One count of indictment, Violation of Sherman Anti-Trust Law,
sentenced on one count of indictment,

and the defendant having been now asked whether it has anything to say why judgment should not be pronounced against it, and no sufficient cause to the contrary being shown or appearing to the Court, IT IS BY THE COURT

ORDERED AND ADJUDGED that the defendant, having been found guilty of said offenses, is hereby committed to the custody of the Attorney General for imprisonment in an institution of the same to be designated by the Attorney General, his authorized representative or representatives;

Fined in the sum of Five Thousand ($5,000.00) Dollars, together with one half of the costs in this action, laid out and expended, taxed at $_____.

[redacted]

[redacted]

(Signed) Walter C. Lindley
Judge.

A True Copy. Certified this 17th day of November, 1939

(Signed) MARGARET LOHR (By) [signature]
Clerk. Deputy Clerk.

[redacted]

[1] Indictment or information. [2] Insert "by counsel" or "having been asked whether he desired counsel assigned by the Court, replied that he did not," whichever is applicable. [3] Insert the words "his plea of guilty," "plea of nolo contendere," or "verdict of guilty," as the case may be. [4] Name specific offense or offenses and specify counts upon which convicted. [5] Insert type of institution such as "jail," "training school," "reformatory," "penitentiary," or "special." If prisoner's circumstances require special type institution, Marshal should submit facts and recommendations of Court to Attorney General where regulations do not apply. [6] Insert sentence and any provision for payment of fine and state whether sentences are to run concurrently or consecutively and, if consecutively, when each term is to begin; that is, with reference to termination of preceding term, or with respect to any other outstanding or unserved sentence. [7] Strike out if Court did not so order. [8] Indicate any order with respect to suspension and probation. [9] Certified copy to accompany defendant to institution.

OK as to form
Atty Campbell

District Court of the United States

NORTHERN DISTRICT INDIANA - SOUTH BEND DIVISION

United States v GENERAL MOTORS CORPORATION, et al

No. 1039 Criminal Indictment

in one counts for violation of U. S. C., Title 15, Secs. 1

GENERAL MOTORS CORPORATION JUDGMENT AND COMMITMENT

On this 17th day of November 19 39, came the United States Attorney, and the defendant GENERAL MOTORS CORPORATION appearing in proper person, and by counsel and,

The defendant having been convicted on finding of guilty by JURY of the offense charged in the Indictment in the above-entitled cause, to wit:

SHERMAN ANTI-TRUST LAW, Section 1, Title 15, U.S.C.A. -
One count of indictment, Violation of Sherman Anti-Trust Law,
Sentenced on one count of indictment,

and the defendant having been now asked whether it has anything to say why judgment should not be pronounced against it, and no sufficient cause to the contrary being shown or appearing to the Court, IT IS BY THE COURT

ORDERED AND ADJUDGED that the defendant, having been found guilty of said offenses, is hereby [redacted]

Fined in the sum of Five Thousand ($5,000.00) Dollars, together with one half of the costs in this action, laid out and expended, taxed at $_____.

[redacted]

IT IS FURTHER ORDERED that the Clerk deliver a certified copy of this judgment and commitment to the United States Marshal or other qualified officer and that the same serve as the commitment of the defendant.

(Signed) Walter C. Lindley
Judge.

A True Copy. Certified this 17th day of November, 1939

(Signed) MARGARET LONG
Clerk.

(By) [illegible] Chief
Deputy Clerk.

'Indictment or information. 'Insert "by counsel" or "having been asked whether he desired counsel assigned by the Court, replied that he did not," whichever is applicable. 'Insert the words "his plea of guilty," "plea of nolo contendere," or "verdict of guilty," as the case may be. 'Name specific offense or offenses and specify counts upon which convicted. 'Insert type of institution such as "jail," "training school," "reformatory," "penitentiary," or "special." If prisoner's circumstances require special type institution, Marshal should submit facts and recommendations of Court to Attorney General where regulations do not apply. 'Insert sentence and any provision for payment of fine and state whether sentences are to run concurrently or consecutively and, if consecutively, when each term is to begin; that is, with reference to termination of preceding term, or with respect to any other outstanding or unserved sentence. 'Strike out if Court did not so order. 'Indicate any order with respect to suspension and probation. 'Certified copy to accompany defendant to institution.

OK as to form
[illegible]

District Court of the United States

HOME 1 DISTRICT INDIANA - SOUTH BEND DIVISION

United States
v.
GENERAL MOTORS CORPORATION, et al.

No. 1039 Criminal Indictment
in one counts for violation of U. S. C.,
Title 15, Secs. 1

GENERAL MOTORS SALES CORPORATION JUDGMENT

On this 17th day of November, 1939, came the United States Attorney, and the defendant GENERAL MOTORS SALES CORPORATION, appearing in proper person, and by counsel and,

The defendant having been convicted on finding of guilty by jury of the offense charged in the indictment in the above-entitled cause, to wit:

SHERMAN ANTI-TRUST LAW, Section 1, Title 15, U.S.C.A. -
One count of indictment, Violation of Sherman Anti-Trust Law,
Sentenced on one count of indictment,

and the defendant having been now asked whether it has anything to say why judgment should not be pronounced against it, and no sufficient cause to the contrary being shown or appearing to the Court, IT IS BY THE COURT

ORDERED AND ADJUDGED that the defendant, having been found guilty of said offenses, is hereby

Fined in the sum of Five Thousand ($5,000.00) Dollars,

[redacted]

[redacted]

(Signed) Walter C Lindley
Judge.

A True Copy. Certified this 17th day of November, 1939

(Signed) MARGARET LONG (By) Ora Lockyear
Clerk. Chief Deputy Clerk.

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[1] Indictment or information. [2] Insert "by counsel" or "having been asked whether he desired counsel assigned by the Court, replied that he did not," whichever is applicable. [3] Insert the words "his plea of guilty," "plea of nolo contendere," or "verdict of guilty," as the case may be. [4] Name specific offense or offenses and specify counts upon which convicted. [5] Insert type of institution such as "jail," "training school," "reformatory," "penitentiary," or "special." If prisoner's circumstances require special type institution, Marshal should submit facts and recommendations of Court to Attorney General where regulations do not apply. [6] Insert sentence and any provision for payment of fine and state whether sentences are to run concurrently or consecutively and, if consecutively, when each term is to begin; that is, with reference to termination of preceding term, or with respect to any other outstanding or unserved sentence. [7] Strike out if Court did not so order. [8] Indicate any order with respect to suspension and probation. [9] Certified copy to accompany defendant to institution.

7—2284

OK as to form
Ally Campbell

District Court of the United States

NORT W DISTRICT INDIANA -SOUTH BEND DIVISION

United States
v.
GENERAL MOTORS CORPORATION, et al

No. 1039 Criminal: Indictment
in one counts for violation of U. S. C.,
Title 15, Secs. 1

GENERAL MOTORS ACCEPTANCE CORPORATION OF INDIANA, Incorporated,

JUDGMENT AND COMMITMENT

On this 17th day of November 19 39, came the United States Attorney, and the defendant General Motors Acceptance Corp. of Ind. appearing in proper person, and by counsel and,

The defendant having been convicted on Finding of guilty by Jury of the offense charged in the Indictment in the above-entitled cause, to wit:

SHERMAN ANTI-TRUST LAW, Section 1, Title 15, U.S.C.A. -
One count of indictment, violation of Sherman Anti-Trust Law,
sentenced on one count of indictment,

and the defendant having been now asked whether it has anything to say why judgment should not be pronounced against it, and no sufficient cause to the contrary being shown or appearing to the Court, IT IS BY THE COURT

ORDERED AND ADJUDGED that the defendant, having been found guilty of said offenses, is hereby [redacted]

Fined in the sum of Five Thousand ($5,000.00) Dollars,

[redacted]

[redacted]

[redacted]

(Signed) Walter C. Lindley
Judge.

A True Copy. Certified this 17th day of November, 1939

(Signed) MARGARET L[illegible] Clerk. (By) [illegible signature] Chief Deputy Clerk.

[1] Indictment or information. [2] Insert "by counsel" or "having been asked whether he desired counsel assigned by the Court, replied that he did not," whichever is applicable. [3] Insert the words "his plea of guilty," "plea of nolo contendere," or "verdict of guilty," as the case may be. [4] Name specific offense or offenses and specify counts upon which convicted. [5] Insert type of institution such as "jail," "training school," "reformatory," "penitentiary," or "special." If prisoner's circumstances require special type institution, Marshal should submit facts and recommendations of Court to Attorney General where regulations do not apply. [6] Insert sentence and any provision for payment of fine and state whether sentences are to run concurrently or consecutively and, if consecutively, when each term is to begin; that is, with reference to termination of preceding term, or with respect to any other outstanding or unserved sentence. [7] Strike out if Court did not so order. [8] Indicate any order with respect to suspension and probation. [9] Certified copy to accompany defendant to institution.

7—6984

[fol. 182] UNITED STATES OF AMERICA,
Northern District of Indiana, ss:

I, Margaret Long, Clerk of the United States District Court in and for the Northern District of Indiana, do hereby certify that the annexed and foregoing is a true and full copy of the original Judgment in the matter of United States vs. General Motors Corporation et al. Cause No. 1039 Criminal now remaining among the records of the said Court in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at South Bend, this 11th day of September, A.D. 1940.

Margaret Long, Clerk. By John Lochmand, Chief Deputy Clerk. (Seal.)

[fol. 183] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern Distrite of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Complaint filed October 4, 1940 in the case of United States of America vs. General Motors Corporation and General Motor Acceptance Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A.D. 1941.

Hoyt King, Clerk. By Edward E. Douglas, Deputy Clerk.

(Here follow 2 photolithographs, side folios 184-185)

SUMMONS IN A CIVIL ACT — D. C. Form No. 45 Rev.

District Court of the United States

FOR THE

Northern DISTRICT OF Illinois

Eastern DIVISION

CIVIL ACTION FILE NO. _____

UNITED STATES OF AMERICA

Plaintiff

v.

GENERAL MOTORS CORPORATION AND
GENERAL MOTORS ACCEPTANCE CORPORATION,
[illegible] issued to 2 [illegible]

Defendants

SUMMONS

To the above named Defendants

You are hereby summoned and required to serve upon

William J. Campbell, U. S. Attorney,

plaintiff's attorney, whose address is U. S. Courthouse, Chicago, Illinois

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

Hoyt King
Clerk of Court.

By [signature]
Deputy Clerk.

Date: October 4, 1940. [Seal of Court]

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M.U. 1829

No. ____

District Court of the United States

NORTHERN DISTRICT OF ILL.

U. S. of Am.

v.

General Motors Corp., et al.

SUMMONS IN CIVIL ACTION

Returnable not later than 20 days after service

FILED

OCT 10 1940

CLERK

RECEIVED

OCT 9 1940

U. S. ATTORNEY

To: The J. C. Dall, U. S. Atty.

You are hereby summoned and required to serve upon GENERAL MOTORS ACCEPTANCE CORPORATION, a corporation, Plaintiff, by serving THE CORPORATION TRUST COMPANY, a corporation, Registered Agent authorized to accept service for GENERAL MOTORS ACCEPTANCE CORPORATION, by delivering copies thereof to Miss L. O. Peikes, Clerk, an agent of THE CORPORATION TRUST COMPANY, this 10th day of October, A.D., 1940. The President of GENERAL MOTORS ACCEPTANCE CORPORATION not found in my district.

And you are hereby summoned and required to serve upon GENERAL MOTORS CORPORATION, Plaintiff, by serving THE CORPORATION TRUST COMPANY, a corporation, Registered Agent authorized to accept service for GENERAL MOTORS ACCEPTANCE CORPORATION, by delivering copies thereof to Miss L. O. Peikes, Clerk, an agent of THE CORPORATION TRUST COMPANY, this 10th day of October, A.D., 1940. The President of GENERAL MOTORS ACCEPTANCE CORPORATION not found in my district.

WITNESS my hand, United States Marshal, By _____ Deputy.

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RETURN ON SERVICE OF WRIT

I hereby certify and return, that on the _____ day of _____ 19

I received the within summons

MARSHAL'S FEES

Travel ..... $.....

Service ..... " _____

_____ United States Marshal.

By _____ Deputy United States Marshal.

Subscribed and sworn to before me, a _____ this _____

day of _____ 19

[SEAL]

NOTE.—Affidavit required only ... service is made by a person other than a United States ...rshal or his deputy.

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[fol. 186] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Summons with Return of U. S. Marshal thereon endorsed in the case of United States of America vs. General Motors Corporation and General Motors Acceptance Corporation, Civil Action No. 2177, filed October 10, A. D. 1940, now remaining among the records of the said Court in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk. By Edward E. Douglas, Deputy Clerk. (Seal.)

(Here follows 1 photolithograph/side folio 187)

United States District Court, Northern District of Illinois

Cause No. 2177 Civil (Date) October 16 1940

Title of Cause UNITED STATES OF AMERICA, Complainant, v.
GENERAL MOTORS CORPORATION and
GENERAL MOTORS ACCEPTANCE CORPORATION, Respondents

Brief Statement of Motion: Nunc pro tunc as of Oct 10, 1940
That an alias summons issue as to respondent General Motors Corporation, the original having been returned marked "not found in this district".

Name of moving Counsel: Leo F. Tierney, Special Assistant to the Attorney General
Representing: United States of America

Name of opposing Counsel (if any):

Enter Order

Sheriff P. W. Sullivan

(Left)

Hand this memorandum to the Clerk.
Counsel will not rise to address the Court until motion has been called.

187

[fol. 188] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

UNITED STATES OF AMERICA, Complainant,

v.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Respondents

Civil No. 2177

Equitable Relief Sought

PETITION

To the Honorable Philip L. Sullivan, Judge of the United States District Court for the Northern District of Illinois, Eastern Division:

A complaint in the above entitled action having been filed in this Court on October 4, 1940, and

Summons having issued directed to respondent General Motors Corporation, and having been returned by the Marshal of this district and division, said summons being marked "not found in this District,"

Your petitioner prays that an alias summons issue, pursuant to Section 5 of the Sherman Act and Section 15 of the Clayton Act, directed to General Motors Corporation, General Motors Building, Broadway and 57th Street, New York, N. Y., *nunc pro tunc* as of October 10, 1940, commanding it to appear herein and to answer each allegation contained in the complaint and to abide by and perform such acts, orders, and decrees as the Court may make in the premises.

United States of America. Leo. F. Tierney, Special Assistant to the Attorney General, 208 South LaSalle Street, Chicago, Illinois.

[fol. 189] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

Equitable Relief Sought

UNITED STATES OF AMERICA, Complainant,

v.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Respondents

ORDER

A complaint in the above entitled action having been filed in this Court on October 4, 1940, and

Summons having issued directed to respondent General Motors Corporation, and having been returned by the Marshal of this district and division, said summons being marked "not found in this District,"

It is ordered that an alias summons issue, pursuant to Section 5 of the Sherman Act and Section 15 of the Clayton Act, directed to General Motors Corporation, General Motors Building, Broadway and 57th Street, New York, N. Y., *nunc pro tunc* as of October 10, 1940, commanding it to appear herein and to answer each allegation contained in the complaint and to abide by and perform such acts, orders, and decrees as the Court may make in the premises.

Done in open court this 17th day of October, 1940.

Philip L. Sullivan, United States District Judge.

[fol. 190] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Petition, together with Order thereto attached, entered October 17, A. D. 1940, filed October 17, 1940, and Motion slip thereon, in the case of United States of America vs. General Motors Corporation and General Motors Acceptance Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk. By Edward E. Douglas, Deputy Clerk.

(Here follow 2 photolithographs, side folios 191-192)

District Court of the United States

FOR THE

Northern DISTRICT OF Illinois

Eastern DIVISION

CIVIL ACTION FILE No. 2177

UNITED STATES OF AMERICA

Plaintiff

v.

GENERAL MOTORS CORPORATION and
GENERAL MOTORS ACCEPTANCE CORPORATION

Defendants

SUMMONS

To the above named Defendant : GENERAL MOTORS CORPORATION

You are hereby summoned and required to serve upon William J. Campbell, United States Attorney,

Plaintiff's attorney , whose address is Room 453-U. S. Court House, Chicago, Ill.,

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

HOY. KING
Clerk of Court.

By
Deputy Clerk.

Date: October 10, A. D. 1940

[Seal of Court]

I hereby certify and return, that on - - - - - -
I received the within summons and on - - - - - - - - - -
at -
I served same on the within named defendant - - - - - - -
- -
by delivering to and leaving a copy thereof, together with
a copy of the bill of complaint with - - - - - - - - - -
- -
- -
- -

Marshal's Fees

Travel..... $.....

Service..... $.....

$.....

LEO LOWENTHAL,
U.S. MARSHAL, SDNY.

By William P. Sears
Deputy U.S. Marshal, SDNY.

No. 2177

District Court of the United States

Northern DISTRICT OF Illinois

UNITED STATES OF AMERICA

v.

GENERAL MOTORS CORPORATION, et al

ALIAS SUMMONS IN CIVIL ACTION

Returnable not later than 20 days after service.

FILED

OCT 21 1940

10:45 O'CLOCK AM

HOYT KING
CLERK

Wm. J. Campbell, U.S. Atty
Attorney for Plaintiff

192

[fols. 193-194] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Alias Summons with Return of U. S. Marshal of Southern District of New York endorsed thereon; filed October 21, 1940, in the case of United States of America vs. General Motors Corporation and General Motors Acceptance Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

[fol. 195] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Complainant,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Respondents

It is hereby stipulated and agreed by and between the attorneys for the respective parties to the above entitled action that the time of the several defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint, be extended to and including January 20, 1941, and that an order to that effect may be entered upon this stipulation.

Dated: October 26, 1940.

J. Albert Woll, United States Attorney; Holmes Baldridge, Special Assistant to the Attorney General, Attorneys for Complainant. E. S. Ballard, Herbert Pope, John Thomas Smith, Henry M. Hogan, Attorneys for Respondents.

So ordered: —— ——, U. S. D. J.
October —, 1940.

[fol. 196] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Stipulation filed October 30, 1940, in the case of United States of America vs. General Motors Corporation and General Motors Acceptance Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

(Here follows 1 photolithograph, side folio 197)

District Court of the United States

NORTHERN DISTRICT OF ILLINOIS

EASTERN DIVISION

United States of America

vs.

No. 2177

General Motors Corporation and
General Motors Acceptance
Corporation

I hereby enter the appearance of General Motors Corporation and General Motors Acceptance Corporation
and myself as Their attorney, in the above-entitled cause.

Ernest A. Gallard
Herbert Pope
John Thomas Smith
Henry M. Hogan Defendant's Attorneys

[fol. 198] UNITED STATES OF AMERICA;
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Appearance filed October 30, 1940 in the case of United States of America vs. General Motors Corporation and General Motors Acceptance Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1940.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

(Here follows 1 photolithograph, side folio 199)

United States District Court, Northern District of Illinois

Cause No. 2177 (Date) October 30, 1940

Title of Cause United States of America vs.
General Motors Corporation and
General Motors Acceptance Corporation.

Brief Statement of Motion: Motion on stipulation to extend to and including January 20, 1941, time of defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint and to serve such answer, pleading or motion.

Name of moving Counsel: Ernest S. Ballard, et al.

Representing: the Defendants.

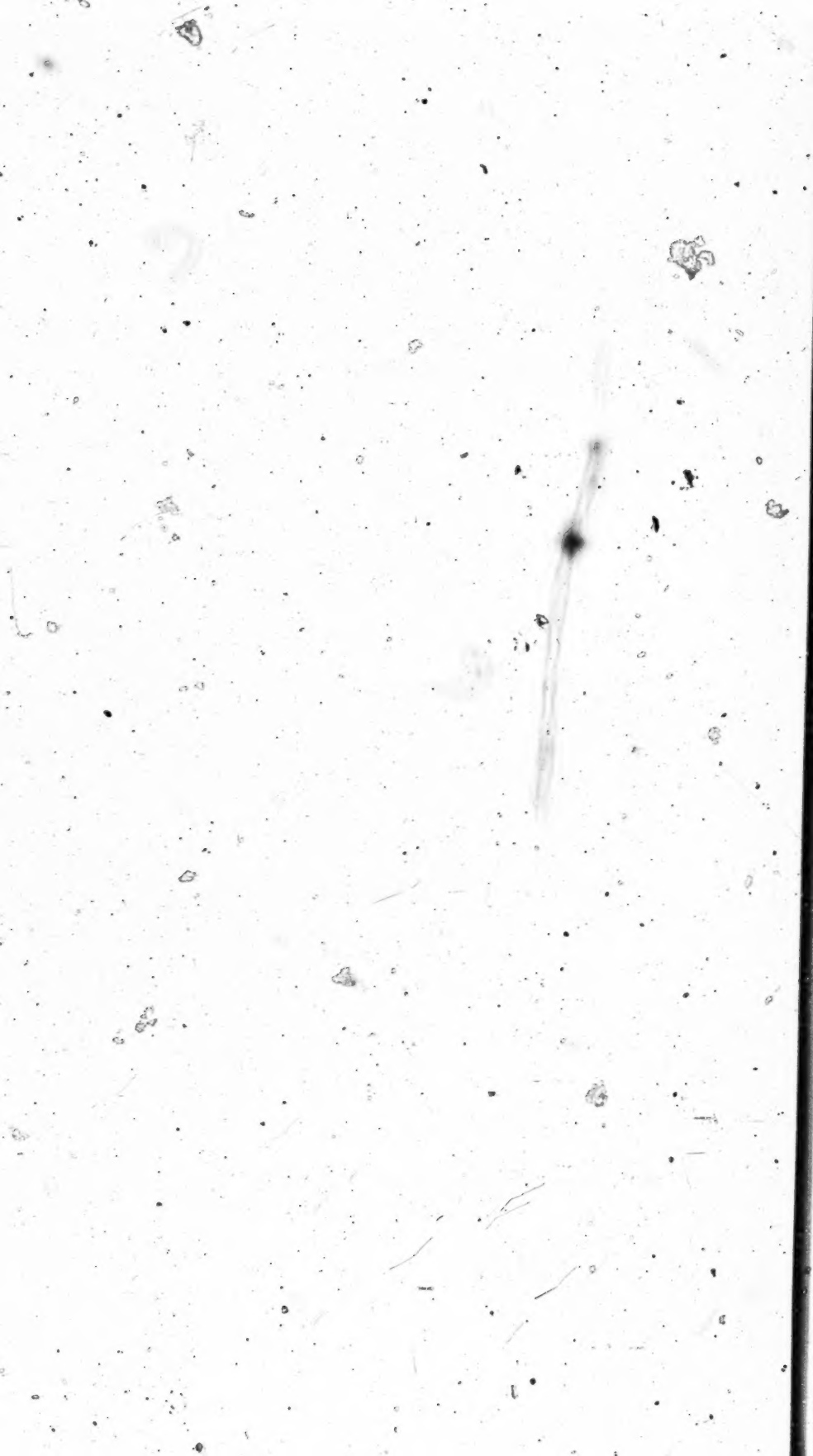
Name of opposing Counsel (if any):

Enter order on stip

Dujt

F.E.W.

Hand this memorandum to the Clerk.
Counsel will not rise to address the Court until motion has been called.



[fols. 200-201] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Complainant,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Respondents

ORDER

This matter coming on to be heard on the stipulation of the parties by their respective attorneys,

It is Ordered that the time of the several defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint, and the time within which they shall serve any such answer, pleading or motion be and the same is hereby extended to and including January 20, 1941.

Enter: Charles E. Woodward, District Judge.

Dated October 30, 1940.

Clerk's Certificate to foregoing paper omitted in printing.

[fol. 202] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

STIPULATION

It is Hereby Stipulated by and between the parties to the above cause by their respective attorneys that the time of the several defendants to answer, plead, move for a bill of particulars or otherwise move in respect of the com-

plaint may be extended to and including January 27, 1941, and that an order to that effect may be entered upon this stipulation.

It is Further Stipulated that the sole purpose of said extension is to enable all counsel to appear and be heard on a motion which defendants will present for a further extension of time within which to serve and file such an answer, pleading or motion.

Holmes Baldridge, Special Assistant to Attorney General, Attorney for Plaintiff. E. S. Ballard, Herbert Pope, John Thomas Smith, Henry M. Hogan, Attorneys for Defendants.

[fol. 203] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Stipulation filed January 16, 1941, in the case of United States of America vs. General Motors Corporation and General Motors Acceptance Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

(Here follows 1 photolithograph, side folio 204)

964

United States District Court, Northern District of Illinc

Case No. 2177 (Date) January 16,1941

Title of Cause United States of America vs. General Motors Corporation and General Motors Acceptance Corporation.

Brief Statement of Motion: Motion on stipulation to extend time of defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint to and including January 27, 1941.

Name of moving Counsel: E. R. Ballard

Representing: Defendants

Name of opposing Counsel (if any):

Enter order on stip

Draft

Hand this memorandum to the Clerk.
Counsel will not rise to address the Court until motion has been called.

[fols. 205-206] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

ORDER

This matter coming on to be heard on the stipulation of the parties by their respective attorneys,

It Is Ordered that the time of the several defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint, and the time within which they shall serve any such answer, pleading or motion be and the same is hereby extended to and including January 27, 1941.

Enter:

Holly, District Judge.

Dated January 16, 1941.

Clerk's Certificate to foregoing paper omitted in printing.

[fol. 207] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

STIPULATION

It Is Hereby Stipulated by and between the parties to the above cause by their respective attorneys that the time of the several defendants to answer, plead, move for a bill of particulars or otherwise move in respect of the complaint

may be extended to and including May 1, 1941, and that an order to that effect may be entered upon this stipulation.

Edmond J. Ford, Special Assistant to Attorney General, Attorney for Plaintiff. E. S. Ballard, Herbert Pope, John Thomas Smith, Henry M. Hogan, Attorneys for Defendants.

[fol. 208] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Stipulation filed January 24, 1941 in the case of United States of America vs. General Motors Corporation and General Motors Acceptance Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk. By Edward E. Douglas, Deputy Clerk. (Seal.)

(Here follows 1 photolithograph, side folio 209.)

98A.

United States District Court, Northern District of Illinois

Cause No. 2177 (Date) January 24, 1941

Title of Cause United States of America v. General Motors Corporation and General Motors Acceptance Corporation.

Brief Statement of Motion: Motion on stipulation to extend time of defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint to and including May 1, 1941.

Name of moving Counsel: E. S. Ballard

Representing: Defendants

Name of opposing Counsel (if any):

Enter order on stip

Draft

Hand this memorandum to the Clerk.
Counsel will not rise to address the Court until motion has been called.

209

[fols. 210-211] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

ORDER

This matter coming on to be heard on the stipulation of the parties by their respective attorneys,

It Is Ordered that the time of the several defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint, and the time within which they shall serve any such answer, pleading or motion be and the same is hereby extended to and including May 1, 1941.

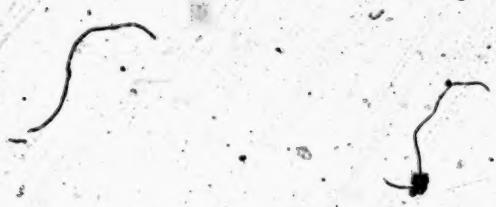
Enter:

Holly, District Judge.

Dated, January 24, 1941.

Clerk's Certificate to foregoing paper omitted in printing.

(Here follows 1 photolithograph, side folio 212.)



1901

United Sta District Court, Northern Distric. of Illinois

Cause No. 2177 (Date) April 21, 1941

Title of Cause United States of America v. General Motors Corporation and General Motors Acceptance Corporation

Brief Statement of Motion: Motion on stipulation to extend time of defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint to and including June 15, 1941.

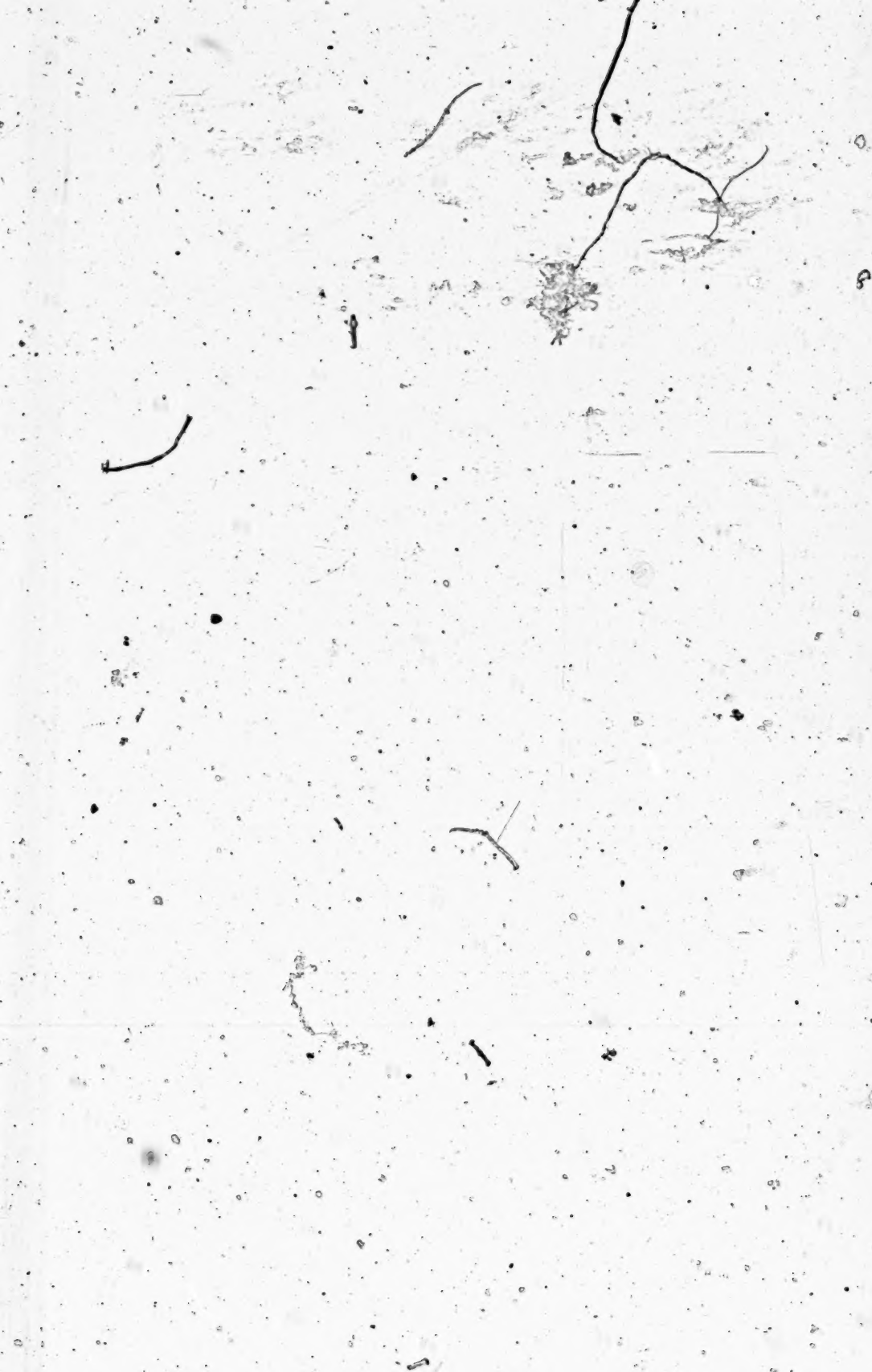
Name of moving Counsel: E. S. Ballard

Representing: Defendants

Name of opposing Counsel (if any):

Send this memorandum to the Clerk.
Counsel will not rise to address the Court until motion has been called.

212



[fol. 213] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

This matter coming on to be heard on the stipulation of the parties by their respective attorneys, it is

Ordered that the time of the several defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint, and the time within which they shall serve any such answer, pleading or motion be and the same is hereby extended to and including June 15, 1941.

Enter:

Holly, District Judge.

Dated, April 21, 1941.

[fol. 214] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

STIPULATION

It is Hereby Stipulated by and between the parties to the above cause by their respective attorneys that the time of the several defendants to answer, plead, move for a bill of particulars or otherwise move in respect of the complaint may be extended to and including June 15, 1941,

and that an order to that effect may be entered upon this stipulation.

Holmes Baldridge, Special Assistant to Attorney General, Attorney for Plaintiff. John Thomas Smith, Henry M. Hogan, E. S. Ballard, Herbert Pope, Attorneys for Defendants.

[fol. 215] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Stipulation filed April 21, 1941, and attached thereto Order entered April 21, A. D. 1941, with Minute Order referring thereto, in the case of United States of America vs. General Motors Corporation and General Motors Acceptance Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

(Here follows 1 photolithograph, side folio 216)

United States D[i]strict Court, Northern District of I[ll]inois

CIVIL
Cause/No. 2177 (Date) June 13, 1941

Title of Cause UNITED STATES OF AMERICA, Plaintiff, vs.
GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

Brief Statement of Motion: Motion of defendants to extend time to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint, to and including June 21, 1941

Name of moving Counsel: E. S. Ballard

Representing: Defendants

Name of opposing Counsel (if any):

Hand this memorandum to the Clerk.
Counsel will not rise to address the Court until motion has been called.

FPI Inc—LE—12-29-40—40M—227-13

[fol. 217] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

ORDER

This matter coming on to be heard upon the motion of defendants for an extension of time within which to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint, and it appearing to the Court that the plaintiff has consented to such extension

It is Ordered that the time of the several defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the complaint, and the time within which they shall serve any such answer, pleading or motion, be and the same is hereby extended to and including June 21, 1941.

Enter:

Holly, District Judge.

June 13, 1941.

(Here follows 1 photolithograph, side folios 218-219)

STANDARD TIME INDICATED

RECEIVED AT

TELEPHONE YOUR MESSAGES TO POSTAL TELEGRAPH

Mackay Radio

15 WORDS FOR THE USUAL PRICE OF 10
DOMESTIC SERVICES

FOREIGN SERVICES AT STANDARD RATES

3442WKM 54 9 EXTRA GOVT DL

PDJ WASHINGTONDC 238P 13

ERNEST S BALLARD POPE AND BALLARD

120 SO LASALLE ST CHGO

REFERENCE UNITEDSTATES VERSUS GENERAL MOTORS NUMBER TWO THOUSAND ONE HUNDRED SEVENTY SEVEN THE GOV RNMENT CONSENTS TO EXTENSION OF TIME OF DEFENDANT TO ANSWER PLEAS, MOVE FOR BILL OF PARTICULARS OR OTHERWISE MOVE IN RESPECT TO COMPLAINT TO AND INCLUDING JUNE TWENTY FIRST NINETEEN FORTY ONE

THURMAN ARNOLD ASST ATTORNEY GENL BY HOLMES BALDRIDGE
SPL ASST TO THE ATTY GENL

Clerk's Certificate to foregoing paper omitted in printing.

[fol. 220] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil Action No. 2177

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION, and GENERAL MOTORS SALES CORPORATION, Defendants

AMENDED COMPLAINT

To the Honorable, the Judge of the District Court of the United States for the Northern District of Illinois, Eastern Division:

Whereas, the complaint herein was filed on the 4th day of October, 1940, and no responsive pleading thereto has been filed or served, the United States of America, by J. Albert Woll, United States Attorney for the Northern District of Illinois, Eastern Division, acting under the direction of the Attorney General of the United States and pursuant to the provisions of Rule 15 (a) of the rules of Civil Procedure for the District Courts of the United States, files this amended complaint against General Motors Corporation, a corporation, organized and duly authorized to do business under the laws of the State of Delaware; General Motors Acceptance Corporation, a corporation, organized and duly authorized to do business under the laws of the State of New York, and General Motors Sales Corporation, a corporation, organized and duly authorized to do business under the laws of the State of Delaware; and complains and alleges upon information and belief as follows:

Description of Defendants

1. That defendant, General Motors Corporation, is engaged in the manufacture and sale of Chevrolet, Pontiac, [fol. 221] Oldsmobile, Buick, LaSalle and Cadillac automobiles, and of parts and accessories for these six makes of automobiles, throughout the United States; that said defendant manufactures and sells approximately 40% of all the new automobiles and trucks manufactured and sold in

the United States; that General Motors Corporation is not only a manufacturing corporation but also a holding company, owning and controlling 100% of the capital stock of defendant, General Motors Sales Corporation, a corporation engaged in the sale of General Motors cars to dealers located in all the states of the United States including the District of Columbia; that it owns 100% of the stock of defendant General Motors Acceptance Corporation; that certain directors of General Motors Corporation are also directors of General Motors Acceptance Corporation;

2. That defendant, General Motors Acceptance Corporation, is 100% owned and wholly controlled by defendant, General Motors Corporation; that defendant, General Motors Acceptance Corporation is engaged in the business of financing at both wholesale and retail the sales to General Motors dealers and to retail purchasers of Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles manufactured by defendant, General Motors Corporation;

Method of Selling General Motors Automobiles

3. That defendant, General Motors Corporation, sells its cars to approximately 15,000 General Motors dealers located in all the states of the United States and the District of Columbia, through the defendant, General Motors Sales Corporation, the selling agency of General Motors Corporation for Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles; that these 15,000 General Motors dealers enter into contracts with defendant, General Motors Sales Corporation; that these contracts run for a period [fol. 222] of one year and are cancellable by General Motors Sales Corporation on short notice and without cause; that these contracts state specifically that under no circumstances is the dealer to be considered either the agent or legal representative of General Motors Sales Corporation;

4. That defendant, General Motors Sales Corporation, was organized on December 1, 1936; that prior to the organization of General Motors Sales Corporation, the sales of Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac cars were made to General Motors dealers located throughout the United States through five separate sales agencies, one for Chevrolet, one for Pontiac, one for Olds-

mobile, one for Buick and one for LaSalle and Cadillac cars;

5. That because of the high unit prices for Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac cars demanded by defendants, General Motors Corporation and General Motors Sales Corporation, and because said corporations have required payment to be made in cash before transportation, shipment and delivery of General Motors cars to General Motors dealers, and because it has been necessary for the great majority of dealers to procure a stock of General Motors cars varying in color, body style, and otherwise far beyond their financial ability to pay for on a cash basis as required by said corporations, a large supply of money has been regularly and continuously necessary and has been regularly and continuously furnished and used to pay said corporations for Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac cars transported, shipped and delivered to General Motors dealers in pursuance of the contracts mentioned in paragraph three above;

6. That many companies, including defendant, General Motors Acceptance Corporation, called automobile finance [fol. 223] companies, have been organized and have engaged in the business of furnishing money to General Motors dealers, for the purchase of General Motors cars and of used cars of any and all makes taken in trade;

7. That because of the high unit prices for Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles demanded in retail transactions, and because defendants, General Motors Corporation and General Motors Sales Corporation, have required payment to be made on a cash basis before transportation, shipment and delivery of said cars, and because it has been necessary for all or almost all of the dealers to procure the full purchase price of the automobile sold at the time of each retail transaction, and because the great majority of retail purchasers of automobiles have not had the financial ability to pay for the cars on a cash basis and have desired to purchase and have purchased said cars on time, a large supply of money has been regularly and continuously necessary and has been regularly and continuously furnished and used to pay the dealers for the automobiles purchased at retail;

8. That defendant, General Motors Acceptance Corporation, and numerous other corporations known as independent automobile finance companies doing business in all the states of the United States and the District of Columbia have regularly and continuously furnished money both to General Motors dealers for the wholesale purchase of General Motors cars and to retail purchasers of General Motors cars;

9. That in most instances in the sale of new cars at retail, a used car is traded in by the purchaser as a part of the purchase price of the new car and General Motors dealers have sold these used cars to retail purchasers; that used cars are taken in trade on the sale of these used cars so that for every new car sold by a General Motors dealer approxi- [fol. 224] mately 2½ used cars are also sold by him; that until these 2½ used cars are sold, the dealer is unable to determine whether he has made a profit on the new car; that a large proportion of these used cars have been and are sold on time to retail purchasers, and large sums of money are regularly and continuously necessary to finance such transactions; that such sums of money have been furnished by defendant, General Motors Acceptance Corporation, and by numerous corporations known as independent automobile finance companies doing business in all the states of the United States and in the District of Columbia;

10. That as a part of the arrangement under which General Motors dealers purchase General Motors cars through defendant, General Motors Sales Corporation, defendants require each dealer to give a blanket power of attorney; that this power of attorney is filled in by a person designated by the factory when General Motors cars are shipped to the dealer;

11. That title to all General Motors cars sold to General Motors dealers passes from defendant, General Motors Corporation, through defendant, General Motors Sales Corporation, directly to defendant, General Motors Acceptance Corporation; that cars are shipped to dealers either on a trust receipt made out in favor of defendant, General Motors Acceptance Corporation, or on sight draft attached to the bill of lading made payable to defendant, General Motors Acceptance Corporation;

12. That under this arrangement it is impossible for a dealer purchasing new General Motors cars at wholesale

on a time sales basis to finance said cars directly at the factory through any company other than defendant, General Motors Acceptance Corporation; that in the event a dealer [fol. 225] wishes to finance at wholesale through an independent finance company, it is necessary that the independent finance company which desires title as security to secure title of the car from defendant, General Motors Acceptance Corporation; that independent finance companies which advance money to dealers for the purchase of cars from the factory, have no security for such advances during the time in which the car is in transit from the factory to the dealers' places of business;

13. That dealers who finance their cars at wholesale through defendant, General Motors Acceptance Corporation, receive possession and custody, but not title and ownership; that title and ownership do not pass to the dealer until defendant, General Motors Acceptance Corporation, has been paid the full contract price of the car plus insurance and other charges;

14. That a retail purchaser of a General Motors car on a time sales basis signs a conditional sales contract with the dealer; that the dealer sells this conditional sales contract either to defendant, General Motors Acceptance Corporation, or to an independent finance company; that in the event it is sold to defendant, General Motors Acceptance Corporation, it is sold on condition that the dealer repurchase the contract from defendant, General Motors Acceptance Corporation, in the event the car is repossessed from the retail purchaser for non-payment of the installment contract; that the dealer is directly responsible for losses occasioned by repossession; that dealers selling retail time sales paper to independent finance companies sell the same without recourse, so that the independent finance company and not the dealer bears the risk of default in case of repossession of the car;

[fol. 226] 15. That defendant, General Motors Corporation, through the defendant, General Motors Sales Corporation, requires General Motors dealers to put into operation a bookkeeping system which indicates, among other things, the number of new and used cars sold each month, the number sold on a time sales basis, and the number of contracts sold to defendant, General Motors Acceptance Corporation, and to other discount companies; that defendant, General

Motors Corporation, through representatives of defendant, General Motors Sales Corporation, requires 10-day and 30-day reports from dealers indicating these matters as well as the general financial condition of the dealer; that defendant, General Motors Corporation, through representatives of the defendant, General Motors Sales Corporation, regularly inspects the books and records of General Motors dealers; that information so obtained is made available to defendants, General Motors Corporation and General Motors Acceptance Corporation.

Jurisdiction and Venue

16. That this complaint is filed and the jurisdiction of this Court is invoked to obtain equitable relief against defendants, General Motors Corporation, General Motors Sales Corporation, and General Motors Acceptance Corporation, because of their violations, jointly and severally, as hereinafter alleged, of Section 1 of the Sherman Act and Sections 2 and 7 of the Clayton Act;

17. That the unlawful combination and conspiracy, hereinafter described, to restrain trade and commerce among the several states of the United States, have been carried on in part within the Northern District of Illinois, Eastern Division, and many of the unlawful acts pursuant thereto have been performed by defendants and their representatives in said district; that the interstate trade and com- [fol. 227] merce in Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles, as hereinafter described, is carried on, in part, within said district; that said defendants have usual places of business in the said district and there transact business and are within the jurisdiction of the court for the purpose of service;

Interstate Commerce

18. That General Motors automobiles manufactured by defendant, General Motors Corporation, have been and are manufactured at plants located in the states of Michigan, Wisconsin, Missouri, Georgia, New York, New Jersey and California; that these cars are shipped to General Motors dealers located in all of the 48 states and within the District of Columbia, pursuant to the selling contracts between such dealers and defendant, General Motors Sales Corporation, described in paragraph 3 above; that title

to the cars passes from defendant, General Motors Corporation, through defendant, General Motors Sales Corporation, to defendant, General Motors Acceptance Corporation at the factory; that title remains in defendant, General Motors Acceptance Corporation, until the dealer has received the car and paid the purchase price in full whether in a cash or a time transaction; that defendant, General Motors Corporation, the manufacturer, defendant, General Motors Sales Corporation, the selling agent, defendant, General Motors Acceptance Corporation, and the General Motors dealers are all engaged in interstate commerce;

19. That approximately 65% of all new General Motors automobiles sold to General Motors dealers at wholesale, and approximately 75% of all new General Motors automobiles sold at retail, are sold on a time sales basis; that any undue interference with the financing of General Motors automobiles either at wholesale or at retail would [fol. 228] substantially impede the free flow of General Motors automobiles in interstate commerce;

Offenses Charged

20. That defendants, each well knowing all the matters and things hereinbefore alleged, for many years past have violated and are now violating the provisions of Section 1 of the Act of Congress of July 2, 1890, entitled "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies," 26 Stat. 209, 15 U. S. C. A. 1, commonly known as the Sherman Antitrust Act, by conspiring to restrain the trade and commerce among the several states in Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles, and have conspired to do all acts and things and to use all means necessary and appropriate to make said restraint effective, including the means, acts and things hereinafter more particularly alleged; and have conspired together to violate Sections 2 (a) (b) (c) (d) (e) (f), 3 and 7 of the Act of Congress of October 15, 1914, 38 Stat. 730, 15 U. S. C. A. 13 (a) (c) (d) (e) (f), 14-18, commonly known as the Clayton Act, by paying or granting rebates to General Motors dealers in return for their use of the financing facilities of defendant, General Motors Acceptance Corporation, and inducing the use of the same; and defendant, General Motors Corpora-

tion, with the participation of the other defendants has acquired the whole and a part of the stock and other share capital of defendant, General Motors Acceptance Corporation, while said corporations were engaged in interstate commerce; and while defendant, General Motors Corporation, held said stock and other share capital and a part thereof it acquired the stock and other share capital and a part thereof in another corporation also engaged in said interstate commerce under conditions forbidden by and in violation of Section 7 of the Clayton Act aforesaid;

[fol. 229] 21. That one of the purposes of the conspiracy was to procure, monopolize and keep within the control of the defendants to the greatest extent possible, and to the exclusion of all other persons and corporations, the business of financing at wholesale and retail the trade and commerce in Chevrolet, Pontiac, Oldsmobile, Buick, LaSalle and Cadillac automobiles, and in used cars of any and all makes sold and handled by General Motors dealers; that as a part of said conspiracy, the defendants have arranged and agreed among themselves to do and have done the following things:

(a) To require dealers to promise and agree to deal with defendant, General Motors Acceptance Corporation, for financing the purchases and sales of automobiles, as a condition to entering into contracts for the sale, transportation and delivery of automobiles to dealers;

(b) To require dealers to promise and agree not to deal with any automobile finance company other than defendant, General Motors Acceptance Corporation, for financing the purchases and sales of General Motors automobiles, as a condition to entering into contracts for the sale, transportation and delivery of General Motors automobiles to dealers;

(c) To make all contracts for General Motors automobiles with General Motors dealers for a term of one year only, and to reserve therein the right to cancel and terminate the same, without cause and upon short notice, in order to exercise said right in cases where dealers shall fail and refuse to have purchases and sales of General Motors automobiles financed by defendant, General Motors Acceptance Corporation, and in cases where dealers shall have purchases and sales of automobiles financed by auto-

mobile finance companies other than defendant, General Motors Acceptance Corporation;

(d) To threaten, suggest and intimate to General Motors dealers that contracts for General Motors automobiles with them may and will be cancelled and terminated in cases where the dealers fail and refuse to have purchases and sales of automobiles financed by defendant, General Motors Acceptance Corporation, and in cases where dealers have had purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(e) To cancel and terminate contracts for automobiles with dealers in cases where the dealers fail and refuse to have purchases and sales of automobiles financed by de- [fol. 230] fendant, General Motors Acceptance Corporation, and in cases where dealers have had purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(f) To refuse and fail to furnish, transport and deliver automobiles to dealers who have refused and failed to have purchases and sales of automobiles financed by defendant, General Motors Acceptance Corporation;

(g) To refuse and fail to furnish, transport and deliver automobiles to General Motors dealers who have had purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(h) To examine and inspect the books, records and accounts of General Motors dealers for the purpose of procuring information relative to the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(i) To coerce and compel General Motors dealers to permit the defendants and their agents to examine and inspect the books, records, and accounts of said dealers for the purpose of procuring information relative to the financing of purchases and sales of automobiles by auto-

mobile finance companies other than defendant, General Motors Acceptance Corporation;

(j) To coerce and compel General Motors dealers to disclose, furnish, and report information relative to the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(k) To procure information from the servants and employees of General Motors dealers, relative to the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation, secretly, covertly, and without the knowledge of the dealers, and sometimes by means of bribery and otherwise;

(l) To require and demand of General Motors dealers that they explain and justify the financing of purchases and sales of automobiles by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(m) To coerce and compel General Motors dealers to refrain from having the purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation, by any and all other means which may be deemed by the defendant to be necessary, appropriate, and effective to that end;

[fol. 231] (n) To give, furnish, accord, and make available to General Motors dealers having purchases and sales of automobiles financed by defendant, General Motors Acceptance Corporation, services, facilities, privileges, favors, conveniences, and other preferential treatment, in and in connection with financing the purchase and sale, transportation, and delivery of automobiles, and to refuse the same to dealers having purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation;

(o) To delay the transportation, shipment, and delivery of automobiles to General Motors dealers having the purchases and sales of automobiles financed by automobile finance companies other than defendant General Motors Acceptance Corporation;

(p) To discriminate against General Motors dealers having purchases and sales of automobiles financed by automobile finance companies other than defendant, General Motors Acceptance Corporation, and in favor of dealers having such purchases and sales financed by defendant, General Motors Acceptance Corporation, with regard to the number, model, color, and style of automobiles transported and delivered to them, with regard to the time of transportation and delivery thereof, and with regard to the manner and form, and time and place of payment therefor;

(q) To give, furnish, accord, and make available to defendant, General Motors Acceptance Corporation, places, offices, and quarters in the plants, factories, offices, and quarters of defendants, General Motors Corporation, General Motors Sales Corporation, and of corporations affiliated with and controlled by them, for engaging in and acquiring the business of financing the purchase, sale, transportation, and delivery of automobiles to dealers, and to refuse the same to any other automobile finance company;

(r) To give, furnish, accord, and make available to defendant, General Motors Acceptance Corporation, information relative to the purchase and sale, transportation and delivery of automobiles to dealers, including information relative to the description and identification of such automobiles, and to refuse the same to any other automobile finance company;

(s) To give, furnish, accord, and make available to defendant, General Motors Acceptance Corporation, any and all contracts, instruments, and other writings, requested, necessary and appropriate for its security and protection in and in connection with financing the purchase and sale, transportation and delivery of automobiles to dealers, and to refuse the same to any other automobile finance company;

[fol. 232] (t) To transfer directly to defendant, General Motors Acceptance Corporation, the title to General Motors automobiles before the transportation and delivery thereof to General Motors dealers for the protection and security of defendant, General Motors Acceptance Corporation, in and in connection with financing the purchase and sale,

and transportation and delivery thereof, and to refuse the same to any other automobile finance company;

(u) To make and enforce discriminatory, onerous, and unreasonable requirements relative to the manner, form, and time of payment for automobiles, for application to all automobile finance companies except defendant, General Motors Acceptance Corporation, and to General Motors dealers having the purchase and sale of automobiles financed by such companies;

(v) To advertise, endorse, recommend and promote, and to coerce and require General Motors dealers to advertise, recommend and promote the use of the automobile financing services, plans and facilities of defendant, General Motors Acceptance Corporation;

(w) To coerce and require General Motors dealers not to advertise, recommend and promote the use of the automobile financing services, plans and facilities of any automobile finance company other than defendant, General Motors Acceptance Corporation;

(x) To establish and fix a price or charge to be collected by defendant, General Motors Acceptance Corporation, from purchasers of Cadillac, LaSalle, Buick, Oldsmobile, Pontiac and Chevrolet automobiles, and of used automobiles of any and all makes handled by General Motors dealers, in all transactions financed by those corporations (said price or charge being known as the GMAC differential), and to pay to the dealer a substantial part thereof, as a rebate, participation and payment for diverting the business of financing such purchases to defendant, General Motors Acceptance Corporation, and away from other automobile finance companies;

(y) To regularly and continuously advertise and represent to purchasers of said automobiles that no such rebates, participations and payments have been and will be included in, and paid out of, such differential, and to induce, assist and require General Motors dealers to make, and join with and assist the defendants in making such representation;

(z) To regularly and continuously conceal, and induce, assist and require General Motors dealers to conceal, from purchasers of said automobiles, the fact that such rebates,

participations and payments have been and will be included in and paid out of the GMAC differential;

[fol. 233] 21 a. That said defendants were on the 27th day of May, 1937, in the Northern District of Indiana, South Bend Division, duly indicted as co-conspirators in the aforesaid conspiracy, and were duly tried and convicted thereof; and on, to wit, the 17th day of November, 1939, judgment of guilty was duly entered with sentence thereon as by the record appears; and the plaintiff herein sets forth as a part of this complaint a true and certified copy of said judgment and sentence, making the same a part hereof. And the plaintiff alleges further that other deceitful and unlawful practices in and affecting interstate trade and commerce and restraining the same have been perpetrated by said defendants as a part of their association as aforesaid;

Effects of Conspiracy

22. That General Motors dealers have substantial investments of money, credit and property in their businesses of purchasing and selling General Motors cars, and said investments and businesses would be greatly reduced in value or destroyed by defendants in the event the aforesaid intimations, suggestions, threats, cancellations, and statements are not adhered to; that to prevent such destruction, loss and damage of and to their investments and businesses, all or almost all of the dealers, have complied with said intimations, suggestions, threats and statements;

23. That General Motors dealers have been forced by coercion, discrimination and fraud to finance their purchases of General Motors automobiles at wholesale to defendant, General Motors Acceptance Corporation, and to sell their time sales paper on retail transactions to defendant, General Motors Acceptance Corporation, even though each and every General Motors dealer, by the express terms of his selling agreement with defendant, General Motors Corporation, made through defendant, General Motors Sales [fol. 234] Corporation, is not under any circumstances considered either the agent or legal representative of the seller;

24. That under the devices of the one year selling contract, blanket power of attorney, transfer of title on all cars direct from defendant, General Motors Corporation,

through defendant, General Motors Sales Corporation, to defendant, General Motors Acceptance Corporation, and the close check on dealers permitted by the installation of the factory bookkeeping system, the defendants, General Motors Corporation and General Motors Sales Corporation, can and do ship cars to dealers at will, with or without order, ship parts and accessories with or without order, or withhold cars, parts and accessories ordered;

25. That as a result of the conspiracy herein alleged, defendant, General Motors Acceptance Corporation, in effect finances at wholesale all the General Motors cars purchased by General Motors dealers on time, and finances at retail approximately 75% of the new General Motors cars and approximately 54% of the used cars of any and all makes sold by General Motors dealers;

26. That the effect of the conspiracy herein alleged and the acts, practices and things done pursuant thereto, has been to burden, obstruct and unduly restrain the interstate trade and commerce in General Motors automobiles;

27. That great size and power have been concentrated in the control of defendant, General Motors Corporation, and this has been used; in association with the other defendants unreasonably to restrain competition, to force terms and prices, to coerce, intimidate and discriminate and thereby has unreasonably restrained interstate commerce and impeded its flow;

[fol. 235] Conclusion

28. That the ownership of an automobile finance company by a company with as powerful a position as that of defendant, General Motors Corporation, controlling as it does over 15,000 dealers who are dependent upon the pleasure of the defendants, General Motors Corporation and General Motors Sales Corporation, for their livelihood and the preservation of their assets and franchises, with the vast majority of automobile sales in interstate commerce dependent upon the use of finance companies, acts as an unreasonable restraint on the use of finance companies other than defendant, General Motors Acceptance Corporation, and consequently upon the automobile sales which must be financed; that the ownership of defendant, General Motors Acceptance Corporation, by defendant,

General Motors Corporation, in itself tends to give defendant, General Motors Corporation, a monopoly in the financing of General Motors cars and control of the financing charges thereof; that defendants, General Motors Corporation and General Motors Sales Corporation, in addition thereto have required agreements from dealers that they will use exclusively and to an amount designated, services of defendant, General Motors Acceptance Corporation, for the financing of the purchases and sales of General Motors cars and used cars of any and all makes sold by General Motors dealers; that defendants, General Motors Corporation and General Motors Sales Corporation, have threatened and discriminated against those dealers and have terminated contracts of those dealers who did not use exclusively the credit facilities of defendant, General Motors Acceptance Corporation; that through the medium of the repayment to dealers of the so-called "reserves" collected, and other rebates, bonuses and bribes by defendant, General Motors Acceptance Corporation, defendant, General Motors Corporation, has given secret rebates to dealers who use the credit facilities of defendant, General Motors Acceptance Corporation;

[fol. 236] 29. That complete ownership and control by defendant, General Motors Corporation, of defendant, General Motors Acceptance Corporation, is subject to abuses which would be impossible under independent ownership;

30. That the power of defendants, General Motors Corporation and General Motors Sales Corporation, flowing from the complete ownership and control of defendant, General Motors Acceptance Corporation, by defendant General Motors Corporation, is such that it is subject to abuses which can be corrected only by a severance of that ownership and control; that an injunction is inadequate since, among other things, the mere fact of ownership constitutes a coercive influence on General Motors dealers purchasing and selling General Motors cars in interstate commerce.

Prayer

Wherefore, the Complainant prays:

1. That a summons issue to each of the defendants commanding it to appear herein and to answer the allegations

contained in this complaint and to abide by and perform such orders and decrees as the Court may make in the premises;

2. That upon final hearing of this cause, the Court order, adjudge and decree that the conspiracy and wrongs herein described exist and constitute an unreasonable restraint of trade and commerce among the various states and that as a part thereof and incidental thereto General Motors Corporation wrongfully holds the stock and share capital of General Motors Acceptance Corporation and all parties thereof;

3. That a receiver be appointed upon such adjudication to receive forthwith all stock and share capital of General Motors Acceptance Corporation held and controlled by General Motors Corporation and that General Motors Cor- [fol. 237] poration be thereupon ordered forthwith to transfer the aforesaid stock and share capital to the aforesaid receiver, that the aforesaid receiver upon receiving the aforesaid stock and share capital offer the same for sale and sell the same holding the proceeds subject to the order of this Court;

4. That the complainant recover the costs and disbursements of this suit;

5. That the complainant shall have such other and further relief as the Court shall deem just and proper.

Holmes Baldridge, Edmond J. Ford, Special Assistants to the Attorney General. Thurman Arnold, Assistant Attorney General. J. Albert Woll, United States Attorney.

[fol. 238] DISTRICT COURT OF THE UNITED STATES, NORTHERN DISTRICT, INDIANA, SOUTH BEND DIVISION

No. 1039

Criminal Indictment in One Count for Violation of U. S. C., Title 15, Sec. 1

UNITED STATES

v.

GENERAL MOTORS CORPORATION, et al.

General Motors Acceptance Corporation, Judgment and Commitment

On this 17th day of November, 1939, came the United States Attorney, and the defendant General Motors Acceptance Corporation, appearing in proper person, and by counsel and,

The defendant having been convicted on Finding of guilty by jury of the offense charged in the indictment, in the above-entitled cause, to-wit

Sherman Anti-Trust Law, Section 1, Title 15, U. S. C. A. —One count of indictment, Violation of Sherman Anti-Trust Law, sentenced on one count of indictment,

and the defendant having been now asked whether it has anything to say why judgment should not be pronounced against it, and no sufficient cause to the contrary being shown or appearing to the Court, It Is By The Court

Ordered And Adjudged That the defendant, having been found guilty of said offenses, is hereby

fined in the sum of Five Thousand ($5,000.00) Dollars, together with one-half of the costs in this action, laid out and expended, taxed at $———.

(Signed) Walter C. Lindley, Judge.

[fol. 239] A True Copy. Certified this 17th day of November, 1939.

(Signed) Margaret Long, Clerk. By ——, ——, Deputy Clerk.

[fol. 240] DISTRICT COURT OF THE UNITED STATES, NORTHERN DISTRICT, INDIANA, SOUTH BEND DIVISION

No. 1039

Criminal Indictment in One Count for Violation of U. S. C., Title 15, Sec. 1

UNITED STATES

v.

GENERAL MOTORS CORPORATION, et al.

General Motors Acceptance Corporation of Indiana, Incorporated, Judgment

On this 17th day of November, 1939, came the United States Attorney, and the defendant General Motors Acceptance Corp. of Ind., Incorporated, appearing in proper person, and by counsel and,

The defendant having been convicted on Finding of guilty by Jury of the offense charged in the indictment, in the above-entitled cause to wit:

Sherman Anti-Trust Law, Section 1, Title 15, U. S. C. A. —One count of indictment, Violation of Sherman Anti-Trust Law, sentenced on one count of indictment,

and the defendant having been now asked whether it has anything to say why judgment should not be pronounced against it, and no sufficient cause to the contrary being shown or appearing to the Court, It Is By The Court

Ordered And Adjudged that the defendant, having been found guilty of said offenses, is hereby Fined in the sum of Five Thousand ($5,000.00) Dollars.

(Signed) Walter C. Lindley, Judge.

[fol. 241] A True Copy. Certified this 17th day of November, 1939.

(Signed) Margaret Long, Clerk. By —— ——, Deputy Clerk.

[fol. 242] DISTRICT COURT OF THE UNITED STATES, NORTHERN DISTRICT, INDIANA, SOUTH BEND DIVISION

No. 1039

Criminal Indictment in One Count for Violation of U. S. C., Title 15, Sec. 1

UNITED STATES

v.

GENERAL MOTORS CORPORATION, et al.

General Motors Sales Corporation Judgment

On this 17th day of November, 1939, came the United States Attorney, and the defendant General Motors Sales Corporation, appearing in proper person, and by counsel and,

The defendant having been convicted on Finding of guilty by jury of the offense charged in the indictment in the above-entitled cause, to wit

Sherman Anti-Trust Law, Section 1, Title 15, U. S. C. A. —One count of indictment, Violation of Sherman Anti-Trust Law, Sentenced on one count of indictment,

and the defendant having been now asked whether it has anything to say why judgment should not be pronounced against it, and no sufficient cause to the contrary being shown or appearing to the Court, It Is By The Court

Ordered And Adjudged that the defendant, having been found guilty of said offenses, is hereby Fined in the sum of Five Thousand ($5,000.00) Dollars.

(Signed) Walter C. Lindley, Judge.

A True Copy. Certified this 17th day of November, 1939. (Signed) Margaret Long, Clerk, by —— ——, Deputy Clerk.

[fol. 243] DISTRICT COURT OF THE UNITED STATES, NORTHERN DISTRICT, INDIANA—SOUTH BEND DIVISION

No. 1039

Criminal Indictment in One Count for Violation of U. S. C., Title 15, Sec. 1

UNITED STATES

v.

GENERAL MOTORS CORPORATION, et al.

GENERAL MOTORS CORPORATION JUDGMENT

On this 17th day of November, 1939, came the United States Attorney, and the defendant General Motors Corporation appearing in proper person, and by counsel and,

The defendant having been convicted on finding of guilty by jury of the offense charged in the indictment in the above-entitled cause, to wit

Sherman Anti-Trust Law, Section 1, Title 15, U. S. C. A. —One count of indictment; Violation of Sherman Anti-Trust Law, Sentenced on one count of indictment,

and the defendant having been now asked whether it has anything to say why judgment should not be pronounced against it, and no sufficient cause to the contrary being shown or appearing to the Court, It Is By The Court

Ordered And Adjudged that the defendant, having been found guilty of said offenses, is hereby Fined in the sum of Five Thousand ($5,000.00) Dollars, together with one half of the costs in this action, laid out and expended, taxed at $—.

(Signed) Walter C. Lindley, Judge.

A True Copy. Certified this 17th day of November, 1939. (Signed) Margaret Long, Clerk, by —— ——, Deputy Clerk.

[fol. 244] UNITED STATES OF AMERICA,
Northern District of Indiana, ss:

I, Margaret Long, Clerk of the United States District Court in and for the Northern District of Indiana, do hereby

certify that the annexed and foregoing is a true and full copy of the original Judgment against Defendants:

General Motors Acceptance Corporation,
General Motors Corporation,
General Motors Sales Corporation,
General Motors Acceptance Corporation of Indiana, Incorporated.

In the Case of United States vs. General Motors Corporation et al. Cause No. 1039 Criminal

now remaining among the records of the said court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at South Bend, this 4th day of October, A. D. 1940.

Margaret Long, Clerk, by Mary Sweeney, Deputy Clerk. (Seal.)

[fol. 245] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true copy of the original Amended Complaint filed June 21, 1941, in the case of United States of America vs. General Motors Corporation, General Motors Acceptance Corporation and General Motors Sales Corporation, Civil Action No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

[fol. 246] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

MOTION

Now come the defendants in the above entitled cause, by E. S. Ballart, their attorney, and move that the time within which defendants shall answer, plead, move for a bill of particulars or otherwise move in respect of the amended complaint herein, be extended to and including July 15, 1941.

Defendants attach hereto a postal telegram dated at Washington, D. C. on June 28, 1941, consenting to the aforesaid extension.

E. S. Ballard, Attorney for Defendants.

June 30, 1941.

(Here follows 1 photolithograph, side folio 247)

126A

120 S. LA SALLE ST.

B36NY SM 44 GOVT VIA MRT

RY ASHINGTON DC 227P JUNE 28

E S BALLARD ESQ

POPE AND BALLARD 120 SOUTH LASALLE ST CHGO ILL

REFERENCE UNITEDSTATES VERSUS GENERAL MOTORS NUMBER TWO ONE SEVEN SEVEN

THE GOVERNMENT CONSENTS TO EXTENSION OF TIME OF DEFENDANTS TO

ANSWER PLEAD MOVE FOR A BILL OF PARTICULARS OR OTHERWISE MOVE IN

RESPECT TO AMENDED COMPLAINT TO AND INCLUDING JULY FIFTEENTH NINETEEN

FORTY ONE

THURMAN ARNOLD ASSISTANT ATTORNEY GENERAL

450P

[fol. 248] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Motion filed June 30, 1941, in the Case of United States of America, Plaintiff, vs. General Motors Corporation and General Motors Acceptance Corporation, Defendants, No. 2177, with telegram thereto attached, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of Decemberber, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

(Here follows 1 photolithograph, side folio 249)

1284

United States strict Court, Northern District o linois

CIVIL
e/No. 2177 (Date) June 30, 1941

of Cause UNITED STATES OF AMERICA, Plaintiff, vs.
GENERAL MOTORS CORPORATION and G N RAL MOTORS
ACCEPTANCE CORPORATION, Defendants

f Statement f Motion: Motion of defendants to extend time to answer, plead, move for a bill of particulars, or otherwise move in respect of the amended complaint, to and including July 15, 1941

ne of moving Counsel: E. S. Ballard

resenting: Defendants

ne of opposing nsel (if any):

Defendants time to ans, etc. ext. to 7-15-1941

d this memorandum to the Clerk.
nsel will not rise to address the Court until motion has been called.

[fols. 250-251] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION and GENERAL MOTORS ACCEPTANCE CORPORATION, Defendants

ORDER

This matter coming on to be heard upon the motion of defendants for an extension of time within which to answer, plead, move for a bill of particulars, or otherwise move in respect of the amended complaint, and it appearing to the Court that the plaintiff has consented to such extension,

It Is Ordered that the time of the several defendants to answer, plead, move for a bill of particulars, or otherwise move in respect of the amended complaint, and the time within which they shall serve any such answer, pleading or motion, be and the same is hereby extended to and including July 15, 1941.

Enter:

Igoe, District Judge.

June 30, 1941.

Clerk's Certificate to foregoing paper omitted in printing.

[fol. 252] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and GENERAL MOTORS SALES CORPORATION, Defendants

NOTICE

To Thurman Arnold, Assistant Attorney General; Holmes Baldridge, Edmond J. Ford, Victor O. Waters, Special

Assistants to the Attorney General, Department of Justice, Washington, D. C.; J. Albert Woll, United States Attorney, United States Court House, Chicago, Illinois:

You are hereby notified that on Tuesday, the 15th day of July, 1941, at the opening of court in the forenoon or as soon thereafter as counsel may be heard we shall appear before the Honorable William H. Holly in the room usually occupied by him as a court room in the United States Court House, Chicago, Illinois, or in his absence before such judge as may be hearing motions in the above case and move the court to extend the time within which defendants shall answer, plead, move for a bill of particulars or otherwise move in respect to the amended complaint.

A copy of said motion is handed you herewith.

John Thomas Smith, Henry M. Hogan, E. S. Ballard, Herbert Pope, Attorneys for Defendants.

[fol. 253] State of Illinois,
County of Cook, ss:

Parker L. Jacobson, being first duly sworn, upon oath deposes and says that on the 10th day of July, 1941, he served a copy of the foregoing notice and a copy of the motion therein described, upon the attorneys named in said notice by depositing in the United States mail box at No. 120 South La Salle Street, Chicago, Illinois, with first class postage prepaid, sealed envelopes containing copies of said notice and motion, addressed to said attorneys at their respective addresses shown in said notice.

Parker L. Jacobson.

Subscribed and sworn to before me this 14th day of July, 1941. Frances C. Robertson, Notary Public. My commission expires April 18, 1942. (Seal.)

[fol. 254] United States of America,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Notice filed July 15, 1941, in the Case

of United States of America, Plaintiff, vs. General Motors Corporation, General Motors Acceptance Corporation and General Motors Sales Corporation, Defendants, No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

[fol. 255] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION; GENERAL MOTORS ACCEPTANCE CORPORATION and General Motors Sales Corporation, Defendants

MOTION TO EXTEND TIME TO ANSWER, PLEAD OR MOVE IN RESPECT OF THE AMENDED COMPLAINT

Now come General Motors Corporation, General Motors Acceptance Corporation and General Motors Sales Corporation, defendants in the above cause, by their attorneys, and move that the time within which they shall answer, plead, move for a bill of particulars or otherwise move in respect of the amended complaint herein, and the time within which they shall serve and file such answer, pleading or motion be extended to and including January 31, 1942.

In support of said motion defendants submit the following suggestions:

1. It is alleged in said amended complaint (par. 21) that defendants have been tried and convicted of the supposed conspiracy complained of in said amended complaint; that judgment of guilty and sentence were duly entered thereon on November 17, 1939; and that copies of said judgment and sentence are attached to and made a part of said amended complaint.

[fol. 256] 2. On November 22, 1939, defendants served and filed their joint and several notice of appeal from said judgment. Thereafter the record in the cause in which said judgment was entered was duly filed in the office of the Clerk of the Circuit Court of Appeals for the Seventh Circuit. Briefs were submitted by all parties and oral argument was heard on January 17, 1941. On May 1, 1941, said Circuit Court of Appeals filed its opinion in which it affirmed said judgment of conviction. On May 22, 1941, said defendants filed with said Circuit Court of Appeals their petition for rehearing and on July 2, 1941, said petition for rehearing was denied.

3. It is the bona fide intention of said defendants to make application to the Supreme Court of the United States for a writ of certiorari within thirty (30) days from the date of the entry of the order denying said petition for rehearing to review the order of said Circuit Court of Appeals affirming the conviction and denying said rehearing. It is the belief of counsel for said defendants that there is merit in the case of said defendants and that the aforesaid judgment of the Circuit Court of Appeals ought to be reversed by the Supreme Court of the United States.

4. The trial of the aforesaid criminal proceeding involved certain issues which are or may be presented by the present suit in equity. The determination of said appeal therefore may affect the form or substance of the answer, motion or pleading to be filed by defendants and may clarify some of the problems involved in this proceeding.

5. In October, 1940, and shortly after this suit was instituted, a representative of defendants conferred with [fol. 257] Holmes Baldridge, Special Assistant to the Attorney General, assigned to this case, regarding a postponement of further proceedings herein until final disposition of said appeal. It was then agreed between said representative and said Baldridge that it would be advisable to defer any action herein until there had been a definitive solution of the issues involved in said appeal. Accordingly orders were entered herein from time to time on stipulation extending to and including June 21, 1941, defendants' time for serving their answer, pleading, motion for bill of particulars or other motion in respect of the complaint herein. On June 21, 1941, plaintiff filed its amended complaint

herein in which it added as a party defendant General Motors Sales Corporation which had previously not been a party defendant to this cause in equity.

6. After the filing of said amended complaint defendants requested a stipulation for a further extension of time within which to answer, plead or move herein and defendants were at that time advised by a representative of plaintiff that plaintiff could not consent to an extension beyond July 15, 1941. Accordingly an agreed order was entered herein on June 30, 1941, extending plaintiff's time to answer, plead or move herein to and including July 15, 1941. At that time counsel for defendants explained to counsel for plaintiff that defendants would probably apply to the court for a further extension.

7. Counsel for plaintiff has advised counsel for defendants that plaintiff cannot consent to any further extension because the continued existence of a certain consent decree heretofore entered by the District Court of the United [fol. 258] States for the Northern District of Indiana in a certain proceeding entitled, "United States of America, Petitioner, against Chrysler Corporation, Commercial Credit Company, et al., Respondents, Civil No. 9," depends upon the successful prosecution and conclusion of this proceeding during the calendar year 1941.

8. Defendants represent to the Court that it would be an undue hardship on both the Court and defendants to proceed further herein prior to the disposition of said criminal case either by the denial of defendants' petition for a writ of certiorari or by the judgment of the Supreme Court of the United States entered on certiorari, since the determination of said criminal proceeding might render nugatory much of the effort and work that would have been expended in connection with this case. Defendants further represent that because of the complexities of this case it is impossible in any event for them adequately to prepare, serve and file their answer, pleading or motion directed to the amended complaint herein or motion for a bill of particulars by July 15, 1941.

In support of said motion defendants also submit the affidavit of Ernest S. Ballard.

John Thomas Smith, Henry M. Hogan, E. S. Ballard, Herbert Pope, Attorneys for Defendants.

[fol. 259] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and General Motors Sales Corporation,

STATE OF ILLINOIS,
County of Cook, ss:

I, Ernest S. Ballard, being first duly sworn, depose and say: I am one of the attorneys of record for the defendants in the above entitled action. I have read the foregoing motion and suggestions in support thereof and know the contents thereof, and the same are true.

On June 28, 1941, I telephoned Holmes Baldridge, Special Assistant to the Attorney General, assigned to this case and was advised by his office that he was ill and not able to be at work but that his associate, Victor O. Waters, Special Assistant to the Attorney General, would talk to me in regard to the above case. I was thereupon connected with Mr. Waters, with whom I am personally acquainted, and I requested Mr. Waters to stipulate for an extension of defendants' time for serving and filing their answer, pleading or motions with respect to the amended complaint herein.

[fol. 260] Mr. Waters stated that he would consent to an extension for such purpose to and including July 15, 1941, but that the Government could not agree to such an extension for any further period as such an agreement might prejudice the Government in connection with the consent decree referred to in the foregoing motion and in connection with a certain appeal now pending in the Supreme Court of the United States from an order of the District Court of the United States for the Northern District of Indiana extending or altering a certain provision of said consent decree.

I thereupon stated to Mr. Waters that I would ask for an agreed order extending the time for defendants to answer, plead or move with respect to the amended complaint herein to and including July 15, 1941, and that within

said period I would probably present to the Court in the above cause a motion for a further extension until the final disposition of the criminal cause referred to in the foregoing motion or until the further order of the Court.

E. S. Ballard.

Subscribed and sworn to before me this 14th day of July, 1941. Frances C. Robertson, Notary Public. My commission expires April 18, 1942. (Seal.

[fol. 261] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Motion to Extend Time to Answer, Plead or Move in Respect of the Amended Complaint, filed July 15, 1941, in the Case of the United States of America, Plaintiff, vs. General Motors Corporation, General Motors Acceptance Corporation and General Motors Sales Corporation, Defendants, No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

[fol. 262] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and General Motors Sales Corporation, Defendants

ORDER

This matter coming on to be heard upon the motion of defendants for an extension of time within which to answer,

plead, move for a bill of particulars or otherwise move in respect of the amended complaint and the Court having heard the arguments of counsel and being fully advised in the premises,

It is Ordered that the time of the several defendants to answer, plead, move for a bill of particulars or otherwise move in respect of the amended complaint, and the time within which they shall serve any such answer, pleading or motion, be and the same is hereby extended until the further order of the Court.

Enter:

Holly, District Judge.

July 15, 1941.

(Here follows 1 photolithograph, side folio 263-264)

United States District Court, Northern District of Illinois 136A

Cause No. CIVIL NO. 2177 (Date) July 15, 1941

Title of Cause UNITED STATES OF AMERICA, Plaintiff, vs.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and GENERAL MOTORS SALES CORPORATION, Defendants

Brief Statement of Motion: Motion to extend until further order of Court defendants' time for answer, pleading or motion for bill of particulars or other motion with respect to amended complaint.

Name of moving Counsel: E. S. Ballard

Representing: The Defendants

Name of opposing Counsel (if any):

Enter order

Draft

and this memorandum to the Clerk.
Counsel will not rise to address the Court until motion has been called.

FPI Inc—LK—12-30-39—M.N—227-12

Clerk's Certificate to foregoing paper omitted in printing.

263-264

[fol. 265] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

v.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and General Motors Sales Corporation, Defendants

NOTICE:

To: John Thomas Smith, Esq., Counsel for General Motors Corporation and General Motors Sales Corporation, Broadway at 57th Street, New York, New York, and Ernest S. Ballard, Counsel for General Motors Acceptance Corporation, 120 South LaSalle Street, Chicago, Illinois:

You are hereby notified that on Tuesday, the Second day of December, 1941, at the opening of Court, in the forenoon or as soon thereafter as counsel may be heard, we will appear before the Honorable William H. Holly, in the room usually occupied by him as a Court Room, in the United States Court House, Chicago, Illinois, or in his absence before such judge as may be hearing motions in the above case, and move that the Court fix a day certain at which time the defendants and each of them be required to file in this Court any and all such preliminary, dilatory or other motions and pleadings of defense as they may see fit to file, including answers and any and all motions of every character preliminary to trial, and that the Court fix a date certain for the hearing on said motions and preliminary matters and for such other and further relief as the Court may deem proper, in accordance with a motion in said case, a copy of which is enclosed herewith.

Thurman Arnold, Assistant Attorney General of the United States; Edmond J. Ford, Special Assistant to the Attorney General of the United States, Attorneys for the United States.

[fol. 266] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISON

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and General Motors Sales Corporation, Defendants

MOTION TO REQUIRE DEFENDANTS TO ANSWER AND OTHERWISE PLEAD

Now comes The United States of America, complainant in the above cause, by Thurman Arnold, Assistant Attorney General, and Edmond J. Ford, Special Assistant to the Attorney General, and moves that the Court fix a day certain at which time the defendants and each of them be required to file in this Court any and all such preliminary, dilatory or other motions and defenses as they may see fit to file, including answer and any and all motions of every character preliminary to trial; that the Court fix a date certain for a hearing on said motions; and that such other and further relief as the Court may deem proper be granted.

In support of said motion complainant alleges and states:

1. That an indictment was returned May 27, 1938, in The United States District Court for the Northern District of Indiana, South Bend Division, Criminal No. 7146, against the above defendants, alleging a conspiracy identical to the conspiracy set forth in the complaint in this cause;

2. That a verdict of guilty was returned and judgment assessing fines in the amount of $5000 each was entered [fol. 267] against the defendants, November 17, 1939, in the criminal case in The United States District Court for the Northern District of Indiana;

3. That the Circuit Court of Appeals for the Seventh Circuit issued an unanimous opinion sustaining the conviction of defendants in the Northern District of Indiana May 1, 1941, and denied defendants' petition for a rehearing July 2, 1941;

4. That the defendants filed their petition for a writ of certiorari in the Supreme Court August 6, 1941 from the judgment of the Circuit Court of Appeals affirming their conviction in the United States District Court for the Northern District of Indiana; That the Supreme Court denied defendants' petition for a writ of certiorari October 13, 1941, and denied defendants' petition for a rehearing on their petition for a writ of certiorari November 10, 1941;

5. That the complaint in this cause was filed more than a year ago, October 4, 1940;

6. That this complainant in the above cause stipulated that defendants' time in which to answer or otherwise plead be extended from October 24, 1940 to January 20, 1941; from January 20, 1941 to January 27, 1941; from January 27, 1941 to May 1, 1941; from May 1, 1941 to June 15, 1941; from June 15, 1941 to June 21, 1941. The complainant agreed to these extensions of defendants' time in which to plead because it was recognized that many, if not most, of the issues involved in this litigation would be determined by the companion criminal case and the Government did not wish to burden the courts or the defendants with the simultaneous trial of two cases which involved the same issues of fact and law;

7. That on June 21, 1941, complainant filed an amended complaint herein which did not substantially change the allegations of the original complaint other than to make Gen- [fol. 268] eral Motors Sales Corporation a party defendant;

8. That on July 15, 1941 this Court entered an order, upon motion of defendants, extending defendants' time within which to serve any answer, pleading or motion, until the further order of the Court. Defendants' motion of July 15 for a continuance until further order of the Court was primarily based upon an insistence that the trial of this cause would be greatly simplified if held in abeyance until a final adjudication in the Supreme Court was procured in the companion criminal case;

9. That this cause presents issues of vital public interest directly affecting approximately 15,000 General Motors dealers, 350 independent finance companies and thousands of retail time purchasers of automobiles manufactured by General Motors Corporation;

10. That the defendants have been granted more than a reasonable time in which to prepare their pleadings and defense in this cause;

11. That a final judgment has been entered in the companion criminal case by the United States Supreme Court which eliminates the reason heretofore urged by the defendants as cause for delay in the trial of this cause.

12. That the above named defendants and certain other automobile manufacturers and finance companies were on May 27, 1938, indicted in the United States District Court for the Northern District of Indiana, South Bend Division; that all of these indictments were returned at the same time and that subsequent thereto one of the groups of defendants indicted, to wit, the Chrysler Corporation and Commercial Credit Company, in a civil action duly brought in that Court, entered into a consent decree, approved by the Court, by the terms of which the aforesaid Chrysler [fol. 269] Corporation would be affected in its power to have ownership or control of a finance company dependent on the result of this present case; that the aforesaid Chrysler Corporation, alleging delay in prosecution of this case, has sought to have inserted at the foot of the aforesaid consent decree certain provisions which would permit it to own, control or associate with an automobile finance company; that the issues involved in this case directly and by the terms of the consent decree affect the rights of the Chrysler Corporation in the premises; that the Chrysler Corporation, insisting that failure to dispose of this case before this date has affected the rights of the United States under the consent decree, is asserting its claimed right of owning and operating a finance company; that it has been the endeavor of the United States for a long time, to wit, since the filing of this suit and since the return of the indictment, to dispose of the issues herein involved which in part are the same as were involved in the criminal case against the present defendants and thereby to dispose of the issues in the aforesaid Chrysler case, but that the repeated delay of the defendants in filing answers in this case has precluded the Government from disposing of these issues which would be binding and final by the terms of the consent decree in the aforesaid Chrysler case.

Wherefore, the Government prays that this motion may be allowed and that the defendants may be required to plead and answer as aforesaid.

Thurman Arnold, Assistant Attorney General. Edmond J. Ford, Special Assistant to the Attorney General, Attorneys for the United States.

[fol. 270] DISTRICT OF COLUMBIA,
Washington, D. C., ss:

Edmond J. Ford, being duly sworn upon oath, deposes and says that on the 29th day of November, 1941, he served a copy of the foregoing notice and a copy of the Motion therein described upon the attorneys named in said Motion, by depositing in the United States mails, at Washington, D. C., first class postage prepaid, copies of said Notice and Motion, addressed to the Attorneys named therein, at their respective addresses, shown in said notice.

Edmond J. Ford, Special Assistant to the Attorney General.

Subscribed and sworn to before me this 29th day of November, 1941. Beryl E. Lewis, Notary Public. My commission expires June 1, 1946. (Seal.)

[fol. 271] UNITED STATES OF AMERICA,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the Original Motion to Require Defendants to Answer and Otherwise Plead, filed December 1, 1941, in the Case of United States of America, Plaintiff, vs. General Motors Corporation, General Motors Acceptance Corporation and General Motors Sales Corporation, Defendants, No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk. By Edward E. Douglas, Deputy Clerk.

[fol. 272] FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff

v.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and GENERAL MOTORS SALES CORPORATION, Defendants

AFFIDAVIT OF EDMOND J. FORD

Affidavits in support of the Government's motion to require the defendants to answer and otherwise to plead and in opposition to the defendants' motion to extend time to answer, plea, or move in respect to the amended complaint.

Edmond J. Ford, Special Assistant to the Attorney General of the United States, does hereby make oath that:

1. An indictment was returned on, to wit, May 27, 1938 in the United States District Court for the Northern District of Indiana, South Bend Division, Criminal Number 7146 against the above defendants alleging a conspiracy identical to the conspiracy set forth in the complaints in this issue. At the same time a similar indictment was returned against the Chrysler Corporation and Commercial Credit Company and others.

2. That a verdict of guilty was returned and judgment assessing fines in the amount of $5,000 each plus certain costs was entered against the present defendants on November 17, 1939 in the aforesaid case.

3. That the Circuit Court of Appeals for the Seventh Circuit issued a unanimous opinion sustaining the conviction of the defendants in said case on May 1, 1941 and thereafter on July 2, 1941 denied defendants' petition for rehearing.

4. That the defendants filed a petition for a review on certiorari in the Supreme Court on August 6, 1941 directed to the judgment of the Circuit Court of Appeals mentioned above. That the Supreme Court denied the defendants' [fol. 273] petition for such return on October 13, 1941 and

denied the defendants' petition for a rehearing on this denial on November 10, 1941.

5. That the complaint in this case was filed more than a year ago, to wit, on October 4, 1940.

6. That on this complaint the Government has already stipulated that the defendants' time in which to answer or otherwise plead be extended from October 24, 1940 to January 20, 1941 and from January 20, 1941 to January 27, 1941 and from January 27, 1941 to May 1, 1941 and from May 1, 1941 to June 15, 1941 and from June 15, 1941 to June 21, 1941. That the Government agreed to these extensions of the defendants' time in which to plead at the request of the defendants and because it recognized that many, if not most, of the issues involved in this litigation would be determined by the decision of the criminal case above referred to and the Government did not wish to burden the courts or the defendants with the similar trial of two issues which involved the same issues of fact and law.

7. That on June 21, 1941 the complainant filed an amended complaint herein which did not substantially change the allegations of the original complaint other than make General Motors Sales Corporation a party defendant.

8. That on July 15, 1941 this court entered an order upon a motion of the defendants and over the opposition of the Government extending the defendants' time within which to serve any answer, pleading, or motion until the further order of the court. The defendants' motion of July 15 for a continuance until a further order of the court was primarily based upon an insistence that the trial of this cause would be greatly simplified if held in abeyance until a final adjudication in the Supreme Court was procured in the aforesaid criminal case.

9. That this cause presents issues of vital public interest directly affecting approximately 15,000 General Motors dealers, 350 independent finance companies, thousands of retail time purchasers of automobiles manufactured by the [fol. 274] General Motors Corporation and the disposition of a certain case now pending in the United States District Court for the Northern District of Indiana, South Bend Division wherein the United States of America is plaintiff and the Chrysler Corporation and others are defendants as will herein later appear.

10. That he believes that the defendants have been granted more than a reasonable time in which to prepare their pleadings and defense in the case.

11. That a final judgment has been entered in the aforesaid criminal case by the United States Supreme Court which eliminates the reason heretofore urged by the defendants as cause for delay in the trial of this case.

12. That the above named defendants and certain other automobile manufacturers and finance companies were on May 27, 1938, indicted in the United States District Court for the Northern District of Indiana, South Bend Division; that all of these indictments were returned at the same time and that subsequent thereto one of the groups of defendants indicted, to wit, the Chrysler Corporation and Commercial Credit Company, in a civil action duly brought in that Court, entered into a consent decree, approved by the Court, by the terms of which the aforesaid Chrysler Corporation would be affected in its power to have ownership or control of a finance company dependent on the result of this present case; that the aforesaid Chrysler Corporation, alleging delay in prosecution of this case, has sought to have inserted at the foot of the aforesaid consent decree certain provisions which would permit it to own, control or associate with an automobile finance company; that the issues involved in this case directly and by the terms of the consent decree affect the rights of the Chrysler Corporation in the premises; that the Chrysler Corporation, insisting that failure to dispose of this case before this date has affected the rights of the United States under the consent decree, is asserting its claimed right of owning and operating a finance company; that it has been the endeavor of the United States [fol. 275] for a long time, to wit, since the filing of this suit and since the return of the indictment, to dispose of the issues herein involved which in part are the same as were involved in the criminal case against the present defendants and thereby to dispose of the issues in the aforesaid Chrysler case, but that the repeated delay of the defendants in filing answers in this case has precluded the Government from disposing of these issues which would be binding and final by the terms of the consent decree in the aforesaid Chrysler case.

That the clauses of the aforesaid decree most pertinent to this issue are as follows: At page 21, § 12 "The respond-

ent Finance Company shall not pay to any automobile manufacturing company and the Manufacturer shall not obtain from any finance company any money or other thing of value as a bonus or commission on account of retail time sales paper acquired by the finance company from dealers of the Manufacturer. The Manufacturer shall not make any loan to or purchase the securities of Respondent Finance Company or any other finance company, and if it shall pay any money to Respondent Finance Company or any other finance company with the purpose or effect of inducing or enabling such finance company to offer to the dealers of the Manufacturer a lower finance charge than it would offer in the absence of such payment, it shall offer in writing to make, and if such offer is accepted it shall make, payment upon substantially similar bases, terms and conditions to every other finance company offering such lower finance charge; * * *"

"It is an express condition of this decree that notwithstanding the provisions of the preceding paragraph of this paragraph 12 and of any other provisions of this decree, if an effective final order or decree not subject to further review shall not have been entered on or before January 1, 1941, requiring General Motors Corporation permanently to divest itself of all ownership and control of General Motors Acceptance Corporation and of all interest therein, then and in that event nothing in this decree shall preclude the Manufacturer from acquiring and retaining ownership of [fol. 276] and/or control over or interest—any finance company or from dealing with such finance company and with the dealers in the manner provided in this decree or in any order of modification or suspension thereof entered pursuant to paragraph 12a. The Court, upon application of the respondents or any of them, will enter an order or decree to that effect at the foot of this decree, and the right of any respondent herein to make the application and to obtain such order or decree is expressly conceded and granted."

Paragraph 12a in Section (1) refers to the criminal case of the United States against General Motors Corporation described above. Paragraph (2) recites that a general verdict of guilty returned against General Motors Corporation in said proceedings followed by an entry of judgment thereof shall be deemed to be a determination of the illegality of any agreement, act, or practice of General Mo-

tors Corporation which is held by the trial court in its instructions to the jury to constitute a proper basis for the return of a general verdict of guilty. It was anticipated that an issue in the criminal case as tried might properly dispose of the aforesaid Chrysler Case under this provision, but the judge's charge did not contain instructions to accomplish this result. Under paragraph 14 of said decree the trial court retained jurisdiction to modify the aforesaid decree and did so modify the aforesaid decree on motion by modifying section 12, quoted above, and thereby extending from January 1, 1941 to January 1, 1942 the date at which a final decree requiring General Motors Corporation permanently to divest itself of all ownership and control of General Motors Acceptance Corporation might be entered and effective against the Chrysler Corporation. From this decision of the District Court the Chrysler Corporation appealed to the Supreme Court. The case has there been argued but has not yet been decided. The Chrysler Corporation is insisting upon its rights to have entry made at the foot of the decree permitting it to have a finance company of its own and in substantiating its claim has pointed [fol. 277] out and is still pointing out that General Motors Corporation is permitted to associate with General Motors Acceptance Corporation and that this is an advantage to General Motors Corporation, a business rival of the Chrysler Corporation. Failure of the defendants to plead delays disposition of this present case and justice seems to require that this case be disposed of as soon as possible.

Edmond J. Ford, Special Asistant to Attorney General.

District of Columbia, Washington, D. C. on the first day of December 1941 personally appeared Edmond J. Ford, described above, and signed the above affidavit and before me made oath that the statements therein are true to the best of his knowledge, information, and belief, that his knowledge of these facts has arisen from his association with the various cases described and the procedure therein.

Beryl E. Lewis. Notary Public. (Seal.) My commission expires June 1, 1936.

[fol. 278] United States of America
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby cer-

tify that the annexed and foregoing is a true and full copy of the original Affidavit of Edmund J. Ford, Special Assistant to the Attorney General of the United States, filed December 2, 1941, in the Case of United States of America, Plaintiff, vs. General Motors Corporation, General Motors Acceptance Corporation and General Motors Sales Corporation, Defendants, No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Dunkerk, Deputy Clerk.

[fol. 279] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and General Motors Sales Corporation, Defendants

NOTICE

To Thurman Arnold, Assistant Attorney General; Holmes Baldridge, Edmond J. Ford, Victor O. Waters, Special Assistants to the Attorney General, Department of Justice, Washington, D. C.; J. Albert Woll, United States Attorney, United States Court House, Chicago, Illinois.

You Are Hereby Notified that on Tuesday, the 2d day of December, 1941, at the opening of court in the forenoon or as soon thereafter as counsel may be heard we shall appear before the Honorable William H. Holly in the room usually occupied by him as a court room in the United States Court House, Chicago, Illinois, or in his absence before such judge as may be hearing motions in the above case and move the court to extend the time within which defendants shall

answer, plead, move for a bill of particulars or otherwise move in respect to the amended complaint.

A copy of said motion is handed you herewith.

E. S. Ballard, Herbert Pope, John Thomas Smith, Henry M. Hogan, Attorneys for Defendants.

[fol. 280] State of Illinois,
County of Cook, ss:

Parker L. Jacobson, being first duly sworn, upon oath deposes and says that on the 28th day of November, 1941, he served a copy of the foregoing notice and a copy of the motion therein described, upon the attorneys named in said notice by depositing in the United States mail box at No. 120 South La Salle Street, Chicago, Illinois, with first class postage prepaid, sealed envelopes containing copies of said notice and motion, addressed to said attorneys at their respective addresses shown in said notice.

Parker L. Jacobson.

Subscribed and sworn to before me this 28th day of November, 1941. Frances C. Robertson, Notary Public. My commission expires April 18, 1942. (Seal.)

[fol. 281] United States of America,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Notice filed December 2, 1941, in the Case of United States of America, Plaintiff, vs. General Motors Corporation, General Motors Acceptance Corporation and General Motors Sales Corporation, Defendants, No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

[fol. 282] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and General Motors Sales Corporation, Defendants

MOTION TO EXTEND TIME TO ANSWER, PLEAD OF MOVE IN RESPECT OF THE AMENDED COMPLAINT

Now come General Motors Corporation, General Motors Acceptance Corporation and General Motors Sales Corporation, defendants in the above cause, by their attorneys, and move that the time within which they shall answer, plead, move for a bill of particulars or otherwise move in respect of the amended complaint herein, and the time within which they shall serve and file such answer, pleading or motion be extended until the further order of the court.

In support of said motion defendants submit the following suggestions:

1. It is alleged in said amended complaint (par. 21) that defendants have been tried and convicted of the supposed conspiracy complained of in said amended complaint; that judgment of guilty and sentence were duly entered thereon on November 17, 1939; and that copies of said judgment and sentence are attached to and made a part of said amended complaint.

[fol. 283] 2. Within the time prescribed by law the defendants to the aforesaid judgment perfected an appeal therefrom to the Circuit Court of Appeals for the Seventh Circuit. On May 22, 1941, said Circuit Court of Appeals filed its opinion in which it affirmed said judgment and, on July 2, 1941, it denied defendants' petition for a rehearing.

3. On July 15, 1941, the defendants to the above entitled cause presented to this Court their motion to extend until the further order of the Court the time within which they should answer, plead, move for a bill of particulars or otherwise move in respect of the amended complaint herein, and

in support thereof represented to the Court that it was their bona fide intention to make application to the Supreme Court of the United States for a writ of certiorari to review said judgment of the Circuit Court of Appeals. On the same day, this Court entered its order allowing the aforesaid motion of these defendants.

4. On August 6, 1941, these defendants filed with the Supreme Court of the United States their petition for a writ of certiorari to review said judgment of the Circuit Court of Appeals and, on October 13, 1941, said petition was denied. Thereafter on October 29, 1941, these defendants filed with the Supreme Court their petition for a rehearing on said petition for a writ of certiorari, and on November 10, 1941, said petition for a rehearing was denied.

5. Subsequent to the action of the Supreme Court in denying said petition for a rehearing, counsel for these defendants have caused a legal research to be made for the purpose of ascertaining the extent, if any, to which the [fol. 284] issues in this equity case are controlled by the judgment in the aforesaid criminal proceeding. Said research has not been completed and in the opinion of counsel for these defendants cannot reasonably be completed prior to January 1, 1942. Unusual and difficut legal problems have arisen concerning the legal effect of the judgment in said criminal proceeding, due particularly to the fact that this equity case charges violations of statutes not involved in said criminal proceeding and contains somewhat altered allegations as to the supposed conduct alleged to be in violation of the statute involved in said criminal proceeding. Until counsel for these defendants have made a thorough investigation of the pertinent decisions with respect to said problems, it will be impossible for them to determine the nature and substance of the motion or pleading that should be filed herein by these defendants.

6. Defendants represent that, because of the importance of this case not only with respect to the immediate parties hereto but also with respect to threatened civil actions brought by private litigants based upon the supposed statutory violations involved herein (one of which actions has already been instituted in this Court), it is necessary for both parties to make a thorough analysis of the issues presented by the amended complaint herein and a thorough

study of the applicable law before proceeding further herein. Defendants further represent that, because of the complexities of this case, it will be impossible for them adequately to prepare, serve and file their answer, pleading or [fol. 285] motion directed to the amended complaint herein, or motion for a bill of particulars prior to January 31, 1942.

E. S. Ballard, Herbert Pope, John Thomas Smith, Henry M. Hogan, Attorneys for Defendants.

State of Illinois,
County of Cook, ss:

Ernest S. Ballard, being first duly sworn, deposes and says that he is one of the attorneys of record for the defendants herein; that he has read the foregoing motion, knows the contents thereof and that the same is true.

E. S. Ballard.

Subscribed and Sworn to before me this 28th day of November, 1941. Frances C. Robertson, Notary Public. My commission expires April 18, 1942. (Seal.)

[fol. 286] United States of America,
Northern District of Illinois, ss:

I, Hoyt King, Clerk of the United States District Court in and for the Northern District of Illinois, do hereby certify that the annexed and foregoing is a true and full copy of the original Motion to Extend Time to Answer, Plead or Move in Respect of the Amended Complaint, filed December 2, 1941, in the Case of United States of America, Plaintiff, vs. General Motors Corporation, General Motors Acceptance Corporation and General Motor Sales Corporation, Defendants, No. 2177, now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at Chicago, Illinois, this 15th day of December, A. D. 1941.

Hoyt King, Clerk, by Edward E. Douglas, Deputy Clerk.

(Here follows 1 photolithograph, side folio 287)

15

United Sta District Court, Northern District of Illinois

se No. CIVIL NO. 2177 (Date) December 2, 1941

e of Cause UNITED STATES OF AMERICA, Plaintiff vs. GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION, and GENERAL MOTORS SALES CORPORATION, Defendants.

ef Statement f Motion: Motion to extend to and including January 15, 1942, defendants' time for answer, pleading, motion for bill of particulars or other motion with respect to amended complaint.

me of moving Counsel: Ernest S. Ballard

presenting: Defendants

me of opposing unsel (if any):

Enter order
Draft

nd this memorandum to the Clerk.
unsel will not rise to address the Court until motion has been called.

FPI Inc—LK—12-29-39—80M—777-12

287

[fols. 288-289] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

Civil No. 2177

UNITED STATES OF AMERICA, Plaintiff,

vs.

GENERAL MOTORS CORPORATION, GENERAL MOTORS ACCEPTANCE CORPORATION and General Motor Sales Corporation, Defendants

Order

This matter coming on to be heard upon the motion of defendants for an extension of time within which to answer, plead, move for a bill of particulars or otherwise move in respect of the amended complaint and the Court having heard the arguments of counsel and being fully advised in the premises,

It Is Ordered that the time of the several defendants to answer, plead, move for a bill of particulars or otherwise move in respect of the amended complaint, and the time within which they shall serve any such answer, pleading or motion, be and the same is hereby extended to and including January 15, 1942.

Enter:

Holly, District Judge.

December 2, 1941.

Clerk's Certificate to foregoing paper omitted in printing.

[fol. 290] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER CONTINUING HEARING

This matter came on to be heard by the Court on motion of the United States for modification of the modified final decree and the Court having heard argument of counsel and the Government having introduced its evidence and the defendants having requested a continuance in order to produce further evidence—

It is Ordered that the Hearing be and the same is hereby continued until the 16th day of February 1942.

It is further Ordered that pending the final disposition of the Government's motion the provisions of the decree enjoining Chrysler Corporation from acquiring an interest in a finance company shall remain in full force and effect, notwithstanding Paragraph 12 of said decree.

All of this is now Ordered, Adjudged and Decreed this 22nd day of December, 1941. Defendants granted Exception.

Thos. W. Slick, Judge of the United States District Court for the Northern District of Indiana.

[fol. 291] IN UNITED STATES DISTRICT COURT

MINUTES OF HEARING

And afterwards, to wit: On the 16th day of February, 1942, the following further proceedings were had herein, to-wit:

Comes now the United States of America, plaintiff herein, by Mr. Holmes Baldridge, Special Assistant to the Attorney General, and also by Luther M. Swygert and James E. Keating, Assistants to the United States Attorney for the Northern District of Indiana, and comes also the defendants Chrysler Corporation, De Soto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation by Theodore Iserman, S. J. Crumpacker, William Stanley, and William D. Donnelly, their attorneys, and this cause coming on further to be heard on the motion of the plaintiff for modification of the modified final decree herein, and

There being no evidence offered before the Court on this date, but arguments of counsel are heard, and now the Court having heard said arguments of counsel now finds the facts herein specially and states its conclusions of law thereon, which findings of fact and conclusions of law are in the words and figures following, to-wit:

[fol. 292] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF INDIANA, SOUTH BEND DIVISION

Civil No. 9

UNITED STATES OF AMERICA, Complainant,

v.

CHRYSLER CORPORATION, et al., Defendants

FINDINGS OF FACT AND CONCLUSIONS OF LAW—February 16, 1942

The Court makes the following findings of fact:

1. That jurisdiction was specifically retained in this Court for the purpose of enforcing compliance with the decree, or for the purpose of modifying the decree upon proper showing:

2. That this Court has jurisdiction to hear and dispose of the subject matter of complainant's motion.

3. That the provisions of Sec. 12 of the consent decree for which modification is sought were framed upon the basis that the ultimate rights of the parties thereunder should be determined by the Government's civil antitrust proceedings against General Motors Corporation and affiliated companies.

4. That time was not of the essence with respect to lapse of the bar against affiliation.

5. That to safeguard defendants against undue delay in such proceedings the decree provided for suspension of certain of its prohibitions in the event convictions were not obtained in the criminal case against General Motors Corporation by January 1, 1940.

6. That the decree provided for a termination of the bar against affiliation, if the civil proceedings against General Motors Corporation were not successfully concluded by a [fol. 293] court of last resort by January 1, 1941.

7. That the Court takes judicial notice of the fact that convictions were obtained in the criminal proceedings against General Motors Corporation, et al. on November 17, 1939.

8. That the Government has proceeded diligently and expeditiously in its suit to divorce General Motors Acceptance Corporation from General Motors Corporation.

9. That further extension of the bar against affiliation will not impose a serious burden upon defendants.

The Court rules as a matter of law:

1. That the order of this Court dated December 21, 1940, modifying the decree, so as to extend to January 1, 1942, the bar against affiliation, became the law only of the first petition for extension in the case, since the Supreme Court was unable to muster a quorum to hear the matter on appeal.

2. That the Court has jurisdiction to entertain complainant's motion and to make a proper order pursuant thereto.

3. That the purpose and intent of the decree will be carried out if Chrysler is given the opportunity at any future time to propose a plan for the acquision of a finance company, and to make a showing that such plan is necessary to prevent Chrysler Corporation from being put at a competitive disadvantage during the pendency of complainant's civil litigation against General Motors Corporation, et al.

Dated this 16th day of February, 1942.

Thos. W. Slick, Judge, United States District Court, Northern District of Indiana.

[fol. 294] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF INDIANA, SOUTH BEND DIVISION

Civil No. 9

UNITED STATES OF AMERICA, Complainant,

v.

CHRYSLER CORPORATION, ET AL., Defendants

FINAL DECREE—IN MODIFICATION OF FINAL DECREE AS MODIFIED—Feb. 16, 1942

This matter came on to be heard by the Court on a motion of the United States for modification of the final decree

as modified, and the Court having heard argument of counsel and having considered the matter, and it having appeared to the Court that the allowance of such motion is just and equitable,

Now, Therefore, It Is Ordered, Adjudicated and Decreed that the aforesaid final decree as amended shall be and is hereby modified so that the second paragraph of section 12 thereof shall read as follows:

It is an express condition of this decree that notwithstanding the provisions of the preceding paragraph of this paragraph 12 and of any other provisions of this decree, if an effective final order or decree not subject to further review shall not have been entered on or before January 1, 1943 requiring General Motors Corporation permanently to divest itself of all ownership and control of General Motors Acceptance Corporation and of all interest therein, then and in that event, nothing in this decree shall preclude the Manufacturer from acquiring and retaining ownership of and/or control over or interest in any finance company, or from dealing with such finance company and with the dealers in the manner provided in this decree or in any order of modification or suspension thereof entered pursuant to paragraph 12a. The Court, upon application of the respondents or any of them, will enter an order or decree to that effect at the foot of this decree, and the right of any respondent herein to make the application and to obtain such order or decree is expressly conceded and granted.

[fol. 295] And It Is Further Ordered, Adjudicated and Decreed that except as thus modified the modified decree as previously entered shall stand in full force and effect.

By the Court:

Thos. W. Slick, Judge.

Dated: February 16, 1942.

[fols. 296-297] In the District Court of the United States for the Northern District of Indiana, South Bend Division

[Title omitted]

Petition for Appeal—Filed Feb. 18, 1942

Now come petitioners, Chrysler Corporation, De Soto Motor Corporation, Plymouth Motor Corporation, Dodge

Brothers Corporation and Chrysler Sales Corporation and considering themselves aggrieved by the Final Decree—In Modification of Final Decree as Modified made an entered on February 16, 1942, in this Court in the above entitled cause, pray that an appeal be allowed to the Supreme Court of the United States. The particulars wherein said petitioners consider the Final Decree in Modification erroneous are set forth in their Assignment of Errors which is filed herewith.

Wherefore, your petitioners pray that an appeal may be allowed in their behalf to the Supreme Court of the United States for the correction of the errors so complained of and that a transcript of the record, proceedings and papers upon which said decree was made, duly authenticated, may be sent to the Supreme Court of the United States.

Parker, Crabill, Crumpacker, May, Carlisle & Beamer, Larkin, Rathbone & Perry, William Stanley, (S.) William D. Donnelly, Attorneys for Defendants, Chrysler Corporation, De Soto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation and Chrysler Sales Corporation.

[fol. 298] In the District Court of the United States for the Northern District of Indiana, South Bend Division

[Title omitted]

Assignment of Errors—Filed Feb. 18, 1942

Now come Chrysler Corporation, De Soto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers, Corporation and Chrysler Sales Corporation, the appellants herein, and file the following Assignment of Errors upon which they will rely in the prosecution of the appeal herewith petitioned for in said cause to the Supreme Court of the United States from the Final Decree—In Modification of Final Decree as Modified of this Court entered on the 16th day of February, 1942.

The District Court erred:

1. In finding (Finding No. 3) "that the provisions of Section 12 of the consent decree from which modification is sought were framed upon the basis that the ultimate rights

of the parties thereunder should be determined by the Government's civil antitrust proceedings against General Motors Corporation and affiliated companies", contrary to the express language of Section 12 of the original consent decree, and in the complete absence from the record of any evidence to support such finding.

2. In finding (Finding No. 4) "that time was not of the essence with respect to lapse of the bar against affiliation", contrary to the express language of Section 12 of the original consent decree, and without any evidence in the record to support such finding.

[fol. 299] 3. In finding (Finding No. 8) "that the Government has proceeded diligently and expeditiously in its suit to divorce General Motors Acceptance Corporation from General Motors Corporation", upon evidence clearly disclosing undue delay by the plaintiff.

4. In finding (Finding No. 9) "that further extension of the bar against affiliation will not impose a serious burden upon defendants", contrary to the recognition of the fact of such burden by both parties in fixing the terms of the consent decree, and in the complete absence of any evidence in the record to support such finding.

5. In concluding as a matter of law (Conclusion No. 1) that the order entered December 21, 1940, became the law of the first petition for extension in the case, insofar as such conclusion involves a holding that the determination of questions of law upon which that order was based are binding in the present decision on the plaintiff's motion for Modification of the Final Decree and of the Final Decree as Modified, and are not now subject to reconsideration or review.

6. In concluding as a matter of law (Conclusion No. 2) that the court may in the exercise of its equity jurisdiction, and pursuant to plaintiff's mere motion, properly make an order for injunctive restraint of defendants, without requiring any evidence in support of the allegations upon which the motion founds plaintiff's right to such restraint.

7. In concluding as a matter of law (Conclusion No. 3) "that the purpose and intent of the decree will be carried out if Chrysler is given the opportunity at any future time to propose a plain for the acquisition of a finance company,

and to make a showing that such plan is necessary to prevent Chrysler Corporation from being put at a competitive disadvantage during the pendency of complainant's civil litigation against General Motors Corporation, et al.", in disregard of the express and unambiguous provisions, particularly Section 12, of the original consent decree, upon findings supported by no evidence, and without requiring the plaintiff to produce any evidence in support of its allegations as to purpose and intent denied by the answer.

8. In impliedly holding as a matter of law that after entry of a consent decree barring affiliation of the defendants with a finance company for a definitely fixed period, a court may [fol. 300] —without proof of the affirmative allegations in support of the motion and denied by the answer, and without the consent of the parties—nevertheless further extend the bar against affiliation by an injunctive order upon a finding that to do so will not impose a serious burden upon defendants.

9. In modifying the Final Decree—In Modification, without requiring evidence in support of the allegations contained in plaintiff's motion and controverted in defendants' answer.

10. In failing and refusing to dismiss plaintiff's Motion for Modification of the Final Decree and of the Final Decree as Modified, for failure of the plaintiff to allege or prove facts sufficient to entitle the plaintiff to the relief it sought by said motion.

11. In enjoining the defendants from acquiring and retaining ownership of, or control over, or interest in, any finance company until after January 1, 1943.

12. In failing to hold that defendants, on and after January 1, 1941, pursuant to the terms of the original consent decree, and on and after January 1, 1942, pursuant to the terms of the Final Decree—In Modification, were and are no longer precluded from acquiring and retaining ownership of and or control over, or interest in any finance company or from dealing with such finance company and with defendants' dealers in the manner provided in said original consent decree.

13. In modifying the consent decree without acquiescence of the parties.

14. In rendering the Final Decree—In Modification of Final Decree as Modified, filed and entered herein in the District Court of the United States for the Northern District of Indiana, South Bend Division, on February 16th, 1942, wherein said court modified Section 12 of said consent decree, dated November 15, 1938.

PRAYER FOR REVERSAL

For which errors the defendants, Chrysler Corporation, De Soto Motor Corporation, Plymouth Motor Corporation, [fol. 301] Dodge Brothers Corporation and Chrysler Sales Corporation, pray that the said decree of the District Court of the United States for the Northern District of Indiana, entered February 16, 1942, in the above entitled cause, be reversed and the petition dismissed; that the amount of the cost bond to be given by appellants be fixed; that citation issue to the appellee named above; and for such other and further relief to which appellants may be entitled.

Respectfully submitted, Parker, Crabill, Crumpacker, May, Carlisle & Beamer, Larkin, Rathbone & Perry, William Stanley, (S.) William D. Donnelly, Attorneys for Appellants.

[fol. 302] IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF INDIANA, SOUTH BEND DIVISION

No. 9

CHRYSLER CORPORATION, DESOTO MOTOR CORPORATION, PLYMOUTH MOTOR CORPORATION, DODGE BROTHERS CORPORATION, AND CHRYSLER SALES CORPORATION, APPELLANTS,

v.

UNITED STATES OF AMERICA, Appellee

ORDER ALLOWING APPEAL—Filed Feb. 18, 1942

The appellants in the above entitled case and each of them, have prayed for the allowance of an appeal in this cause to the Supreme Court of the United States from the decree made and entered in the above entitled case by the

District Court of the United States for the Northern District of Indiana on the sixteenth day of February, 1942, and from each and every part thereof, and have presented and filed their petition for appeal, assignment of errors, prayer for reversal, and statement as to jurisdiction pursuant to the statutes of the United States and the Rules of the Supreme Court of the United States in such cases made and provided:

It is now ordered that an appeal be and the same is hereby allowed to the Supreme Court of the United States from the District Court of the United States for the Northern District of Indiana in the above entitled cause as provided by law, and

[fol. 303] It is further ordered that the Clerk of the United States District Court for the Northern District of Indiana shall prepare and certify a transcript of the record, proceedings, and decree in this cause and transmit the same to the Supreme Court of the United States so that he shall have the same in said Court within forty (40) days of this date, and

It is further ordered that security for costs on appeal be fixed in the sum of Five Hundred Dollars ($500.00).

Dated February 18, 1942.

(S.) Thos. W. Slick, United States District Judge for the Northern District of Indiana.

[fol. 304] Bond on Appeal for $500.00, approved and filed Feb. 18, 1942, omitted in printing.

[fols. 305-307] Citation in usual form showing service on United States Attorney, filed Feb. 18, 1942, omitted in printing.

[fol. 308] In the United States District Court, Northern District of Indiana, Hammond Division

[Title omitted]

Stipulation as to Transcript of Record—Filed March 12, 1942

It is hereby stipulated by and between plaintiff, United States of America, by its attorney, Holmes Baldridge, and

the defendants, Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation and Chrysler Sales Corporation, by their attorney William D. Donnelly, that the Transcript of Record in the above-entitled case to be filed in the Supreme Court of the United States shall not include the official court stenographer's transcript of the proceedings held on December 22, 1941, and on February 16, 1942, on the Motion for Modification of the Final Decree and of the Final Decree as Modified. Accordingly, it is agreed that the Praecipe for Transcript of Record, filed by the defendants on February 18, 1942, be corrected by striking therefrom Item 18 contained therein.

Dated at Washington, D. C., this 11th day of March, 1942.

Holmes Baldridge, Attorney for Plaintiff, United States of America. William D. Donnelly, Attorney for Defendants, Chrysler Corporation, et al.

[fol. 309] In the District Court of the United States for the Northern District of Indiana, South Bend Division

[Title omitted]

Praecipe for Transcript of Record—Filed Feb. 18, 1942

Sir:

You are hereby requested to make a transcript of record to be filed in the Supreme Court of the United States, pursuant to an appeal allowed in the above entitled cause and to include in such transcript of record the following, and no other papers, to wit:

1. Complaint, filed herein on November 7, 1938;
2. Answer of defendants Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation to said complaint, together with acknowledgement of service on November 7, 1938;
3. Final decree herein dated November 15, 1938;
4. Plaintiff's notice of motion and hearing thereon dated December 17, 1940;
5. Order for hearing dated December 17, 1940;

6. Plaintiff's motion for modification of final decree entered herein on December 21, 1940;

7. Affidavit in support of motion for modification of final decree entered herein on December 21, 1940;

8. Answer of Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation to motion for modification of final decree, filed herein on December 21, 1940;

[fol. 310] 9. Affidavit in support of answer of Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation to motion for modification of final decree, filed herein on December 21, 1940;

10. Final decree in modification entered herein on December 21, 1940;

11. Plaintiff's notice of motion for modification of final decree and final decree as modified and hearing thereon;

12. Plaintiff's affidavit of service of notice for hearing filed December 22, 1941;

13. Order for hearing dated December 17, 1941;

14. Plaintiff's motion for modification of the final decree and of the final decree as modified, filed herein on December 15, 1941;

15. Affidavit in support of motion for modification of the final decree and of the final decree as modified, filed herein on December 15, 1941;

16. Answer of Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation to motion for modification of final decree and of the final decree as modified, filed herein on December 22, 1941;

17. Affidavit in support of answer of Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation to motion for modification of final decree, filed herein on December 22, 1941;

18. The official court stenographer's transcript of the proceedings held on the motion for modification of the final decree and of the final decree as modified on December 22, 1941, and on February 16, 1942;

19. Transcript of all evidence adduced at the proceedings held on the motion for modification of the final decree

and of the final decree as modified on December 22, 1941, and on February 16, 1942;

20. Order entered herein on December 22, 1941;

[fol. 311] 21. Findings of fact and conclusions of law dated February 16, 1942;

22. Final Decree—In Modification of Final Decree as Modified entered herein on February 16, 1942;

23. Petition for appeal filed herein on the 18th day of February, 1942;

24. Assignment of errors accompanying said petition for appeal filed herein on the 18th day of February, 1942;

25. Statement as to the jurisdiction of the Supreme Court of the United States accompanying the petition for appeal filed herein on the 18th day of February, 1942;

26. Order allowing said appeal and fixing the amount of the bond on appeal filed herein on the 16th day of February, 1942;

27. The appeal bond filed herein on the 18th day of February, 1942; and approved on the 18th day of February, 1942;

28. Citation and the acknowledgement of service thereof filed herein on the 18th day of February, 1942;

29. Notice of allowance of appeal, enclosing the appeal papers herein, and statement directing attention to the provisions of paragraph 3 of Rule No. 12 of the Rules of the Supreme Court of the United States, together with acknowledgement of service thereof;

30. This praecipe and acknowledgement of service thereof.

Said transcript to be prepared as required by law and the rules of this Court and the rules of the Supreme Court of the United States and to be filed in the office of the Clerk of the Supreme Court of the United States on or before the 30th day of March, 1942.

Dated: February 18, 1942.

—— ——, Attorneys for Appellants Chrysler Corporation, DeSoto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation.

[fol. 312] Service of the above praecipe accepted and acknowledged, this — day of ——, 194—.

—— ——, Attorney for Appellee.

To: Miss Margaret Long, Clerk, United States District Court for the Northern District of Indiana.

[fol. 313] IN UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF INDIANA

CLERK'S CERTIFICATE

I, Margaret Long, Clerk of the United States District Court in and for the Northern District of Indiana, do hereby certify that the annexed and foregoing is a true and full copy of the original pleadings and proceedings in Cause numbered 9, Civil, entitled "United States of America vs. Chrysler Corporation, et al.," as required by the foregoing praecipe for transcript.

I do further certify that the original exhibits included in said transcript constitute all of the evidence introduced at the hearings on the motion for modification of the final decree and of the final decree as modified, held on December 21st, 1941 and February 16th, 1942; now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at South Bend, this 12th day of March, A. D. 1942.

Margaret Long, Clerk, by —— ——, Deputy Clerk.

(Seal.)

[fol. 314] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1941

No. 1036

ORDER NOTING PROBABLE JURISDICTION—March 16, 1942

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted.

[fol. 315] IN SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1941

No. 1036

STATEMENT OF POINTS TO BE RELIED UPON AND DESIGNATION OF THE PARTS OF THE RECORD TO BE PRINTED—Filed March 19, 1942

Come now the Appellants in the above entitled cause, the Chrysler Corporation, DeSoto Motor Corporation,

Plymouth Motor Corporation, Dodge Brothers Corporation, and Chrysler Sales Corporation, and adopt as their statement of points upon which they intend to rely in this Court in this case, their assignment of errors filed with the Clerk of the District Court for the Northern District of Indiana and by her included in the transcript of the record transmitted to this Court.

Appellants further state that only the following parts of the record as filed in this Court need be printed by the Clerk for the hearing of the case:

Complaint.
Answer of defendants, Chrysler Corporation, et al.
Final decree.
Motion for modification of final decree.
Affidavit of Edmond J. Ford.
Answer of defendants, Chrysler Corporation, et al.
Affidavit of William Stanley.
Order of modification of final decree, December 21, 1940.
[fol. 316] Plaintiff's notice of motion for modification of final decree and final decree as modified and hearing thereon.
Order for hearing on motion for modification of final decree and final decree as modified.
Motion for modification of the final decree and of the final decree as modified.
Affidavit of Edmond J. Ford.
Answer of defendants, Chrysler Corporation, et al., to motion for modification of the final decree and of the final decree as modified.
Affidavit of William Stanley.
Transcript of all evidence adduced at the proceedings held on the motion for modification of the final decree and of the final decree as modified.
Order entered December 22, 1941.
Findings of fact and conclusions of law.
Final decree—In Modification of Final Decree as Modified.
Petition for appeal.
Assignment of errors.
Order allowing appeal.
Praecipe for transcript of record on appeal.
Stipulation as to praecipe.
Clerk's certificate.

Dated: ——— —, ———.

Nicholas Kelley, William Stanley, Attorneys for Appellants. William D. Donnelly.

Service by Appellants of the above Statement of Points to be Relied Upon and Designation of the Parts of the Record to be Printed is hereby acknowledged by Appellee, this 18th day of March, 1942, and Appellee hereby waives its right under Rule 13 to designate additional parts of the record to be printed.

Charles Fahy, Solicitor General.

[fol. 317] [File endorsement omitted.]

Endorsed on Cover: File No. 46,364, N. Indiana, D. C. U. S., Term No. 1036. Chrysler Corporation, De Soto Motor Corporation, Plymouth Motor Corporation, Dodge Brothers Corporation and Chrysler Sales Corporation, Appellants, vs. The United States of America. Filed March 13, 1942. Term No. 1036 O. T. 1941.